



April 10, 2014

VIA ELECTRONIC FILING

Honorable Kathleen H. Burgess, Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: New York State Electric & Gas Corporation and Rochester Gas and
Electric Corporation – Proposed Tariff Filings to Implement Upgraded
Gas Transportation Billing System

Dear Secretary Burgess:

The enclosed tariff leaves, issued by New York State Electric & Gas Corporation (“NYSEG”) and Rochester Gas and Electric Corporation (“RG&E”) (together the “Companies”), are transmitted for filing in compliance with the requirements of the New York Public Service Commission (the “Commission”) and Appendix 7-H (electronic tariff filing system) to the Commission’s Codes, Rules and Regulations (16 NYCRR Appendix 7-H). The proposed leaves have an effective date of November 1, 2014.

P.S.C. No. 88 – Gas, Schedule for Gas Service

Leaf No. 7.1, Revision 7
Leaf No. 7.4, Revision 4
Leaf No. 9, Revision 6
Leaf No. 9.1, Revision 5
Leaf No. 9.1.1., Revision 1
Leaf No. 9.2, Revision 2
Leaf No. 9.3, Revision 0
Leaf No. 10, Revision 5
Leaf No. 10.1, Revision 6
Leaf No. 12, Revision 4
Leaf No. 13.3, Revision 6

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Leaf No. 17.1, Revision 5
Leaf No. 17.2, Revision 1
Leaf No. 40, Revision 3
Leaf No. 42, Revision 4
Leaf No. 49, Revision 2
Leaf No. 50.1, Revision 4
Leaf No. 50.1.1., Revision 5

P.S.C. No. 16 – Gas, Schedule for Gas Service

Leaf No. 10.1, Revision 2
Leaf No. 127.19, Revision 3
Leaf No. 127.30, Revision 6
Leaf No. 127.31.1, Revision 1
Leaf No. 127.32, Revision 7
Leaf No. 127.34, Revision 8
Leaf No. 127.35, Revision 8
Leaf No. 127.35.1, Revision 1

Overview

The Companies are proposing tariff changes to reflect the development and implementation of an upgrade to a new Retail Access Natural Gas Tracking System to replace the current SmarTRAC system. In its most recent gas rate cases, the Company witnesses testified that the existing web-based Electronic Bulletin Board system needed to be upgraded due to antiquated software. The new software will improve system performance and enhance system security. Furthermore, the proposed changes will make the processes described below consistent between the Companies.

Maximum Daily Quantity (“MDQ”) Updates for Transportation Customers

NYSEG currently updates non-daily MDQs for transportation customers annually on April 1. The daily metered customers are updated annually on July 1, and NYSEG is required to distribute the information to such customers. Additionally, NYSEG reviews the MDQs for daily metered customers each month. If the MDQ is exceeded during the month and is outside the annual review period, NYSEG reviews the data and will update the MDQ to become effective the following month.

At RG&E, the MDQs are updated annually for both non-daily and daily metered customers on November 1. There is no process in place to review the MDQs for the daily metered customers on a monthly basis; however, the Companies are also proposing tariff changes to the RG&E tariffs to institute the process to review MDQs on a monthly basis.

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Daily Metered Cash-out

The Companies have proposed changes to improve its cash out process for Daily metered customers. The daily metered pools will be cashed out to zero each day. The Companies are proposing to eliminate imbalance trading and implement new balancing provisions to cash out pools¹.

Non-Daily Metered Usage Reconciliation

Currently at RG&E, the non-daily metered usage is reconciled monthly. NYSEG's reconciliation process occurs every six months. NYSEG is proposing to reconcile monthly, similar to RG&E, to more timely reconcile ESCO bills with customer usage.

Operational Flow Order ("OFO") Charges for Daily Metered Customers

Currently the NYSEG tariff stipulates a \$2.50 per therm penalty during an OFO and the RG&E tariff provides specific cashout pricing to be employed during an OFO. The Companies' natural gas supply collaborative established the right for the Companies to pass on pipeline related costs due to an ESCO's non-compliance. The Companies propose to change the current tariff to allow for, but not require, the per therm penalty if deemed necessary during an OFO. If a penalty will be issued, it will be identified in the OFO posting.

The Companies are currently developing the system for an implementation date of November 1, 2014. The Companies will be providing comprehensive training to the ESCOs prior to implementation of the system.

Publication

The Companies respectfully request the requirement of 66(12)(b) of the Public Service Law and 16 NYCRR Section 720-8.1 regarding newspaper publication be waived as the Company will directly notify ESCOs of the proposed changes as a result of the implementation of the upgrade to the new Retail Access Natural Gas Tracking System and provide training on the new system.

A State Administrative Procedure Act Notice is enclosed for publication in the State Register.

¹ Changes to the balancing provisions were discussed during the Gas Supply collaborative as part of the Companies 09-G-0716 and 09-G-0718 rate cases. An order issued on October 18, 2012, adopted recommendations that were set forth in a report that was filed on August 3, 2012, however, required the Companies to provide reasonable advanced notice of the implementation date.

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Company Contact

If there are any questions concerning this filing, please call Kathy Grande at (585) 771-4514 or me at (607) 762-8710.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Lori A. Cole".

Lori A. Cole
Manager - Regulatory & Tariffs
Rates and Regulatory Economics Department

Enclosures