



Mark O. Marini
Director - Regulatory

March 1, 2017

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

Dear Secretary Burgess:

The enclosed statement, issued by New York State Electric & Gas Corporation ("NYSEG" or the "Company"), is transmitted for filing in compliance with the requirements of the New York State Public Service Commission ("PSC" or "Commission").

PSC No. 119 – Electricity, Schedule for Electric Service

Statement of Underground Residential Distribution Contribution
("URD Statement") Effective April 1, 2017

Pursuant to the Commission Order in Case 25352, issued December 28, 1971, Case 03-E-0185, issued April 30, 2003 (the "April Order"), Case 10-E-0592, issued and effective November 23, 2010¹ (the "November 2010 Order"), and Case 11-E-0112 issued and effective June 22, 2011² (the "Central Hudson Order"), the attached new Statement of Underground Residential Distribution Contribution ("URD Statement") is being filed to reflect updated costs to NYSEG's underground residential distribution rates.

The Company has modified the calculation of the trench credit rate listed in the URD Statement based on the Commission's recent decision in Case 15-E-0560 issued and effective October 17, 2016³ (the "Niagara Mohawk Order"). The trench credit rate is used for paying developers when they elect to dig the trench. NYSEG historically has calculated the trench credit to include any revenues received from other utility trench occupants, resulting in a net average cost to the

¹Case 10-E-0592 - Proceeding on Motion of the Commission to Investigate the Consistency of Three-Phase Service for All Major Electric Utilities, Order Approving Proposed Tariff Amendments and Instituting a Proceeding to Investigate the Three-Phase Provisions of Other Major Utilities (issued and effective November 23, 2010)

²Case 11-E-0112 – Tariff filing by Central Hudson Gas & Electric Corporation to update the rates used in determining contributions required from applicants for underground extensions and to prospectively file the rates in statements. (issued and effective June 22, 2011)

³Case 15-E-0560 – Complaint of Glenwyck Development, LLC Against Niagara Mohawk Power Corporation d/b/a National Grid Concerning Underground Residential Distribution Provisions Contained in Rule 16 of PSC Tariff No. 220, Order Granting Relief and Ordering Tariff Changes (Issued and Effective October 17, 2016).

Company. The calculation will now exclude any trench credit from other occupants, reflecting a gross average cost to the Company for trench work.

Please contact Sue Morien at (585) 771-4741 or me at (585) 771-4692 if you have any questions.

Respectfully submitted,

A handwritten signature in black ink that reads "Mark O. Marini". The signature is written in a cursive, flowing style.

Mark O. Marini