

..DID: 8598
..TXT:

May 13, 1999

Honorable Debra Renner
Acting Secretary
Public Service Commission
State of New York
3 Empire State Plaza
Albany, New York 12223

Re: Case Nos. 98-G-0122

Dear Acting Secretary Renner:

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

Second	Revised	Leaf No. 5	to PSC No. 88 Gas
Third	Revised	Leaf No. 107	to PSC No. 88 Gas
Original		Leaf No. 108	to PSC No. 88 Gas
Original		Leaf No. 109	to PSC No. 88 Gas
Original		Leaf No. 110	to PSC No. 88 Gas
Original		Leaf No. 111	to PSC No. 88 Gas

Effective May 15, 1999.

Proposed Revisions

NYSEG submits these leaves in compliance with the Commission's Order in Case 98-G-0122, Proceeding on Motion of the Commission to Review the Bypass Policy Relating to the Pricing of Gas Transportation for Electric Generation, issued March 16, 1999 ("Order").

The filing incorporates the requirements of the Order into a new Service Classification No. 15, "Basic Electric Generation Transportation Service". As set forth in the Order, Service Classification No. 15 provides for the following:

1. Basic Electric Generation Transportation Service to any new or existing dual-fuel electric generating facility with generating capacity of at least 50 Megawatts (MW) that has executed a Transportation Service Agreement with the Company for a term of not less than five (5) years.
2. Service subject to a maximum of 30-days interruption during any twelve-month period.
3. Pricing provisions that include a system cost contribution of \$0.01/therm (\$0.10/dth), marginal system cost recovery and spark spread adjustment.
4. A minimum annual bill provision based on fifty percent (50%) of the generators maximum annual quantity.
5. A one percent (1%) allowance for losses incurred in the process of delivery.
6. The opportunity for a customer, otherwise taking service under this classification, to be eligible for a negotiated service agreement pursuant to Service Classification No. 7 of PSC No. 88 Gas.

Petition for Rehearing and Clarification

On April 14, 1999, NYSEG submitted a "Petition for Rehearing and Clarification ("Petition"). In the Petition, NYSEG requested rehearing on that portion of the Order prohibiting LDCs from negotiating rates or other related matters with affiliates. In addition, NYSEG requested clarification regarding rate premiums for terms greater than five (5) years, interruption of service and metering of separately priced services. The attached filing addresses these issues in the following manner:

1. Negotiated service for affiliated electric generators will be prohibited unless modified by the Commission on rehearing.
2. Rate premiums for terms greater than (5) years will be sought but not required.
3. Interruption of service will be carried out consistent with NYSEG's existing provisions as set forth in Section 8 of PSC No. 88 Gas.
4. Service provided under Service Classification No. 15 will be metered and billed separately from gas service provided under any other service classification of the Company.

Notification

Per Ordering Clause No. 2 of the Commission's March 16, 1999 Order, the requirement of §66(12)(b) of the Public Service Law as to newspaper publication of the revisions is waived.

Company Contacts

Questions regarding this filing should be addressed to Dan Verdun at (607) 762-4296.

Very truly yours,

/sra
Encls.
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Steven R. Adams
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