

..DID: 13506
..TXT:

October 30, 2000

Hon. Janet H. Deixler, Secretary
State of New York Department
of Public Service
Three Empire State Plaza
Albany, NY 12223-1350

Re: Proposed Tariff Filing in Compliance with the Commission's Order Denying Petitions for Rehearing, Case 99-M-0631, and Order Providing for Customer Choice of Billing Entity

Dear Secretary Deixler:

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

Fourth	Revised	Leaf No. 3	to PSC No. 88 Gas
Sixth	Revised	Leaf No. 6	to PSC No. 88 Gas
First	Revised	Leaf No. 6.1	to PSC No. 88 Gas
Original		Leaf No. 6.1.1	to PSC No. 88 Gas
Fifth	Revised	Leaf No. 7.1	to PSC No. 88 Gas
Original		Leaf No. 7.1.1	to PSC No. 88 Gas
Second	Revised	Leaf No. 7.4	to PSC No. 88 Gas
Original		Leaf No. 7.4.1	to PSC No. 88 Gas
First	Revised	Leaf No. 7.5	to PSC No. 88 Gas
Original		Leaf No. 7.6	to PSC No. 88 Gas
Eighth	Revised	Leaf No. 12.1	to PSC No. 88 Gas
Fifth	Revised	Leaf No. 14	to PSC No. 88 Gas
First	Revised	Leaf No. 50.4	to PSC No. 88 Gas
Original		Leaf No. 50.26	to PSC No. 88 Gas
Original		Leaf No. 50.27	to PSC No. 88 Gas
Original		Leaf No. 50.28	to PSC No. 88 Gas
Original		Leaf No. 50.29	to PSC No. 88 Gas
Original		Leaf No. 50.30	to PSC No. 88 Gas
Original		Leaf No. 50.31	to PSC No. 88 Gas
Original		Leaf No. 50.32	to PSC No. 88 Gas
Original		Leaf No. 50.33	to PSC No. 88 Gas
Original		Leaf No. 50.34	to PSC No. 88 Gas
Original		Leaf No. 50.35	to PSC No. 88 Gas
Original		Leaf No. 50.36	to PSC No. 88 Gas
Original		Leaf No. 50.37	to PSC No. 88 Gas
Original		Leaf No. 50.38	to PSC No. 88 Gas
Original		Leaf No. 50.39	to PSC No. 88 Gas
Original		Leaf No. 50.40	to PSC No. 88 Gas
Original		Leaf No. 50.41	to PSC No. 88 Gas
Original		Leaf No. 50.42	to PSC No. 88 Gas
Original		Leaf No. 50.43	to PSC No. 88 Gas

Effective February 1, 2001¹.

¹ Subject to immediate suspension, as hereby requested by the Company and as further explained in the third from last paragraph of this letter.

The above-listed leaves are being filed pursuant to the Commission's Order Providing for Customer Choice of Billing Entity, Case 99-M-0631, issued March 22, 2000 (the "March Order") and Order Denying Petitions for Rehearing, also Case 99-M-0631, issued September 1, 2000. The Orders set forth the requirements for implementation of Alternative Billing Arrangements for customers taking retail access where both utility service charges and ESCO/Marketer commodity charges appear on one bill.

Billing Options

In addition to the current method of Dual Billing (whereby the Company bills for its electric delivery and/or gas transportation service, and an ESCO/Marketer bills for the commodity service), NYSEG will also offer Alternative Billing Arrangements which will allow retail access and gas transportation customers the option to elect to receive a Single Bill or a Consolidated Bill from either the ESCO/Marketer or the Company. NYSEG defines a "Single Bill" as a bill containing the supply and delivery charges for either electric or gas service. Additionally, in order to recognize that many of the Company's customers are "Combination Accounts"², NYSEG defines a "Consolidated Bill" as a bill containing the supply and delivery charges for both gas and electric service.

A Single/Consolidated Bill may be provided by either the ESCO/Marketer (if such ESCO/Marketer is willing and able to perform such a service) or by NYSEG. Combination Accounts may elect a Consolidated Bill to be issued from an ESCO/Marketer if the customer is taking both retail access and gas transportation service from that same ESCO/Marketer. In cases where an ESCO/Marketer issued Single/Consolidated Bill is not available to the customer, the customer may elect a Single/Consolidated Bill provided by NYSEG or choose to remain on Dual Billing (as current retail access and gas transportation customers are billed today). If the customer chooses to receive a Single/Consolidated Bill from NYSEG, the ESCO/Marketer must provide appropriate supply billing information to NYSEG. The billing options available to customers are set forth in the proposed leaves listed above.

Billing Services Agreement

In order to offer customers the Single/Consolidated Bill option, NYSEG will require all ESCOs/Marketers providing gas transportation service to enter into a NYSEG Billing Services Agreement ("NYSEG BSA"). The BSA will govern the responsibilities of each party and include fees applicable to that relationship. An ESCO/Marketer who chooses to provide a Single/Consolidated Bill must execute a different Billing Services Agreement (the "ESCO/Marketer BSA"), in addition to the NYSEG BSA.

Bill Processing Credit

Customers electing an ESCO/Marketer rendered Single/Consolidated Bill will receive a Bill Processing Credit of \$0.55 per bill. The Bill Processing Credit will appear on the NYSEG portion of the customer's bill.

² A "Combination Account" is a common account for service under PSC No. 87-Gas or PSC No. 88-Gas and service under PSC No. 115-Electricity.

Bill Charge

If a customer receives a Single/Consolidated Bill from NYSEG, the Company will provide the bill and charge the ESCO/Marketer for this billing service in accordance with the NYSEG BSA. NYSEG has developed its standard Bill Charge of \$0.51 per account, per month, based on the incremental costs the Company will incur to provide a Single/Consolidated Bill. Upon mutual agreement of the parties, NYSEG may also offer "enhanced" billing services, which would then be delineated in the NYSEG BSA. Additional costs arising from any mutually-agreed upon enhanced services will be paid to NYSEG by the ESCO/Marketer.

Combination Accounts

The Company's Combination Accounts will not be split for single bill purposes. If Combination Accounts were required to be split, the customer would receive two bills (for example, one from the ESCO and one from the Marketer or one from the ESCO and one from NYSEG, etc.), and the single bill objective from the Orders would not be achieved. Further, splitting Combination Accounts would result in duplicate bill credits not intended by the Orders or the design of the Bill Processing Credit filed herein. Therefore, the Company is not splitting Combination Accounts.

400 Character Minimum Allowance

The March Order provides that if a utility finds the 400 character minimum allowance for the printing of standard utility bill messages unsatisfactory or inappropriate, each company should notify the Commission. Accordingly, NYSEG hereby notifies the Commission that a minimum of 444 characters are required in order to be consistent with the Company's current processes. Utilizing less than 444 characters would result in additional costs to either reformat standard messages or to develop an additional messaging system solely for the ESCO/Marketer issued Single/Consolidated Bill.

Bill Content and Format

The specific requirements for ESCO/Marketer bill content and format are set forth in the proposed tariff and the Company's Gas Transportation Operating Procedures Manual, which has been revised to reflect Alternative Billing Arrangements.

Cost Recovery

The Company will track costs of implementation, incremental costs and differences between actual avoided costs and bill credits associated with the Alternative Billing Arrangements. The Company requests that it be allowed to recover such costs through its Transition Surcharge.

Coordination with EDI

EDI is critical for the implementation of any Alternative Billing Arrangements. It will be necessary to have the EDI infrastructure in place to facilitate the exchange of customer information for the Single/Consolidated Bill option. Accordingly, an ESCO/Marketer must have EDI Data Standards for Billing Transactions, as specified in the Commission's Opinion and Order on Implementation of Electronic Data Interchange, issued and effective April 12, 2000, in place before a Single/Consolidated Bill option can be made available to customers. This condition is included in the tariff, effectively creating a difference between the effective date of the tariff leaves and implementation date of the Alternative Billing Arrangements.

Request for Extension of Time/Immediate Suspension of Tariff Leaves

The Company has serious concerns regarding the feasibility of achieving the Commission's proposed EDI implementation date of April 1, 2001. Currently, the EDI rules for single bill have not been defined, nor has the single bill scope of work been set forth by the EDI Collaborative. Without these single bill rules proposed by the EDI Collaborative, approved by the Commission and in place on a date that is reasonable to all parties, implementation of the Alternative Billing Arrangements will not be achievable. Because of this expected delay due to EDI, the Company is hereby requesting an immediate suspension of the proposed tariff leaves filed today.

Gas Transportation Operating Procedures Manual and Billing Services Agreements

The Commission's directives for Alternative Billing Arrangements have been incorporated into the Company's tariff, Gas Transportation Operating Procedures Manual, or the applicable BSA. The NYSEG Billing Services Agreement, the Company's ESCO/Marketer Billing Services Agreement, and a revised Gas Transportation Operating Procedures Manual will be distributed to DPS Staff, parties and NYSEG-approved suppliers by November 9, 2000.

Compliance Filing

In accordance with Ordering Clause Two of the Commission's Order Denying Petitions for Rehearing, issued September 1, 2000, newspaper publication of the enclosed filing is waived. NYSEG's Electric Rate Department is concurrently filing changes to its electric tariffs consistent with the provisions filed herein. A copy of this compliance filing has been mailed to all parties to this proceeding pursuant to the Orders. In addition, NYSEG is providing a copy to all ESCOs/Marketers approved by the Company to participate in its retail access and gas transportation programs. Please direct any questions pertaining to this filing to Jill Koehler (607-762-8070) or the undersigned.

Very truly yours,

Steven R. Adams
Manager - Gas Pricing, Regulation & Strategy

Encls.