



December 20, 2012

VIA ELECTRONIC FILING

Jeffrey Cohen, Acting Secretary
State of New York Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: Case 07-M-0548 – Proceeding on Motion of the Commission regarding an Energy Efficiency Portfolio Standard

Case 10-M-0457 – In the Matter of the System Benefits Charge IV

Dear Acting Secretary Cohen:

Pursuant to the New York State Public Service Commission's ("PSC's" or "Commission's") Orders in the above-referenced proceedings, New York State Electric & Gas Corporation ("NYSEG") and Rochester Gas and Electric Corporation ("RG&E", "the Companies"), hereby transmit for filing the enclosed statements to become effective January 1, 2013. The System Benefits Charge portion of the surcharge is updated in accordance with the Order Continuing the System Benefits Charge and Approving an Operating Plan for a Technology and Market Development Portfolio of System Benefits Charge Funded Programs ("SBC IV Order"), in Case 10-M-0457, issued and effective October 24, 2011. The Energy Efficiency Portfolio Standard portion of the surcharge is updated in accordance with the Order Authorizing Efficiency Programs, Revising Incentive Mechanism, and Establishing a Surcharge Schedule ("EEPS Order"), in Case 07-M-0548, issued and effective October 25, 2011.

PSC No. 120 – Electricity, Schedule for Electric Service
SBC Statement No. 10

PSC No. 121 – Electricity, Schedule for Electric Service Street Lighting
SBC Statement No. 10

PSC No 19 – Electricity, Schedule for Electric Service
SBC Statement No. 17

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PSC No 18 – Electricity, Schedule for Electric Service Street Lighting
SBC Statement No. 17

PSC No. 87 – Gas, Schedule for Gas Service
SBC Statement No. 8

PSC No. 88 – Gas, Schedule for Gas Service Transportation
SBC Statement No. 8

PSC No. 16 – Gas, Schedule for Gas Service
SBC Statement No. 8

This filing is also made in accordance with Appendix 7-H (electronic tariff filing system) to the Commission's Codes, Rules and regulations (16 NYCRR Appendix 7-H).

The Companies have performed the calculations for determining the rates to be effective on January 1, 2013.

SBC IV Rate Design:

In accordance with the SBC IV Order, SBC electric revenue is to be collected in the manner shown in Appendix B, Table 1 of the SBC IV Order.

NYSEG Electric

As provided in its June 1, 2012 reconciliation report for NYSEG, the Company over-collected \$3,315,864 for the cumulative period July 1, 2006 through December 31, 2011. This amount was carried forward in the calculation of the January 1, 2013 rate. The Company started with the collection level established by the SBC IV Order and adjusted that amount to account for the reconciliation of SBC III revenues for the time period July 1, 2006 through December 31, 2011 plus the projected under-collection for 2012 of \$895,686. In addition, the December 30, 2010 SBC III Order deferred collection of 2011 SBCIII amounts to 2012 and 2013. The collection of the deferred SBC III amount for 2013 is split between the SBC and EEPs surcharges as some programs were moved to the EEPs proceeding. The 2013 deferred portion of SBC III collections included in the January 1, 2013 rate is \$5,760,993. This resulted in a total collection amount of \$15,659,420 for January 1 through December 31, 2013.

That amount was then divided by the kWh sales forecast subject to the SBC for January through December 2013, resulting in a SBC IV surcharge of \$0.001095 per kWh.

RG&E Electric

As provided in its June 1, 2012 reconciliation report for RG&E, the Company over-collected \$1,226,484 for the cumulative period July 1, 2006 through December 31, 2011. This amount was carried forward in the calculation of the January 1, 2013 rate. The Company started with the collection level established by the SBC IV Order and adjusted that amount to account for the

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reconciliation of SBC III revenues for the time period July 1, 2006 through December 31, 2011 plus the projected under-collection for 2012 of \$317,744. The December 30, 2010 SBC Order deferred collection of 2011 SBC III amounts to 2012 and 2013. The collection of the deferred SBC III amount for 2013 is split between the SBC and EEPS surcharges as some programs were moved to the EEPS proceeding. The 2013 deferred portion of SBC III collections included in the January 1, 2013 rate is \$2,779,971. This resulted in a total collection amount of \$7,441,995 for January 1 through December 31, 2013.

That amount was then divided by the kWh sales forecast subject to the SBC for the January through December 2013, resulting in a SBC IV surcharge of \$0.001029 per kWh.

EEPS Rate Design:

The EEPS Order provides for the continuance of the EEPS surcharges through December 31, 2015. In addition, the December 30, 2010 SBC Order transferred collection of a few SBC III programs to the EEPS proceeding for 2013 for both gas and electric. The collection of the transferred SBC III programs are also included in the calculation of the EEPS rates for 2013.

Electric

The Energy Efficiency portion of the electric System Benefits Charge (SBC) is to be collected in the manner shown in Table 4 of Appendix 2 of the EEPS Order. In addition, the surcharge calculation for each Company also includes amounts from other EEPS Orders issued on October 23, 2009 and January 4, 2010 and the SBC III programs from the December 30, 2010 SBC III Order referenced above.

NYSEG Electric

As provided in its June 1, 2012 reconciliation report for NYSEG, the Company over-collected \$317,922 for the cumulative period October 1, 2008 through December 31, 2011. This amount was carried forward in the calculation of the January 1, 2013 rate. The Company started with the collection level established by the EEPS and SBC III Orders and adjusted that amount to account for the reconciliation of EEPS revenues for the time period October 1, 2008 through December 31, 2011 plus the projected under-collection for 2012 of \$263,603. This resulted in an updated collection amount of \$32,418,410 for January 1 through December 31, 2013.

That amount was then divided by the kWh sales forecast subject to the SBC for the January through December 2013, resulting in a surcharge of \$0.002268 per kWh for the EEPS portion of the SBC.

RG&E Electric

As provided in its June 1, 2012 reconciliation report for RG&E, the Company under-collected \$35,949 for the cumulative period of October 1, 2008 through December 31, 2011. This amount was carried forward in the calculation of the January 1, 2013 rate. The Company started with the collection level established by the EEPS and SBC III Orders and adjusted that amount to

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account for the reconciliation of EEPS revenues for the time period October 1, 2008 through December 31, 2011 plus the projected under-collection for 2012 of \$228,660. This resulted in an updated collection amount of \$18,006,594 for January 1 through December 31, 2013. That amount was then divided by the kWh sales forecast subject to the SBC for the January through December 2013, resulting in a surcharge of \$0.002490 per kWh for the EEPS portion of the SBC.

Gas

The Energy Efficiency programs collected through the gas SBC are to be collected in the manner shown in Table 8 of Appendix 2 of the EEPS Order. In addition, the surcharge calculation for each Company also includes amounts from other EEPS Orders issued on October 23, 2009 and January 4, 2010 and the gas portion of the SBC III programs transferred from the December 30, 2010 SBC III Order referenced above.

NYSEG Gas

As provided in its June 1, 2012 reconciliation report for NYSEG, the Company under-collected \$3,000 for the cumulative period October 1, 2008 through December 31, 2011. This amount was carried forward in the calculation of the January 1, 2013 rate. The Company started with the collection level established by the EEPS and SBC III Orders and adjusted that amount to account for the reconciliation of EEPS revenues for the time period October 1, 2008 through December 31, 2011 plus the projected under-collection for 2012 of \$ 310,610. This resulted in an updated collection amount of \$3,783,102 for January 1 through December 31, 2013.

That amount was then divided by the therm sales forecast subject to the SBC for the January through December 2013, resulting in a SBC of \$0.006978 per therm.

RG&E Gas

As provided in its June 1, 2012 reconciliation report for RG&E, the Company over-collected \$138,647 for the cumulative period October 1, 2008 through December 31, 2011. This amount was carried forward in the calculation of the January 1, 2013 rate. The Company started with the collection level established by the EEPS and SBC III Orders and adjusted that amount to account for the reconciliation of EEPS revenues for the time period October 1, 2008 through December 31, 2011 plus the projected under-collection for 2012 of \$535,637. This resulted in an updated collection amount of \$7,693,248 for January 1 through December 31, 2013.

That amount was then divided by the therm sales forecast subject to the SBC for the January through December 2013, resulting in a SBC of \$0.015751 per therm.

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Please direct any questions pertaining to this filing to Carolyn Sweeney at (585) 771-4809.

Very truly yours,

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

Lori A. Cole
Manager, Regulatory & Tariffs
Rates & Regulatory Economics

Enclosures