



October 11, 2012

**VIA ELECTRONIC FILING**

Honorable Jaclyn A. Brillling, Secretary  
New York State Public Service Commission  
Three Empire State Plaza  
Albany, NY 12223-1350

Re: CASE 12-E-0395 – New York State Electric & Gas Corporation  
CASE 12-E-0397 – Rochester Gas and Electric Corporation

Tariff filings to Effectuate Amendments to Public Service Law §66-j (Remote Net Metering for Micro-Hydro Electric Generating Systems) and Conforming Changes to Standardized Interconnection Requirements.

Dear Secretary Brillling:

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’s (the "Commission") Notice Establishing Filing Requirements issued and effective on September 7, 2012.

P.S.C. No. 120 – Electricity, Schedule for Electric Service

- Leaf No. 117.41, Revision 3 – Micro-Hydroelectric Service Option
- Leaf No. 117.42, Revision 2 – Micro-Hydroelectric Service Option
- Leaf No. 117.42.1, Revision 0 – Micro-Hydroelectric Service Option

P.S.C. No. 19 – Electricity, Schedule for Electric Service

- Leaf No. 160.39.11, Revision 3 - Micro-Hydroelectric Service Option
- Leaf No. 160.39.12, Revision 2 - Micro-Hydroelectric Service Option
- Leaf No. 160.39.13, Revision 0 - Micro-Hydroelectric Service Option

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### Background

Chapter 318 of the Laws of 2012, which became effective on August 1, 2012, amended Public Service Law (PSL) Section 66-j to provide for the remote net metering of micro-hydroelectric generating equipment by farm and non-residential customers. Such customers will be able to apply excess generation credits from the customer's generator to other meters at any property owned or leased by the same customer within the service territory of the same electric corporation and within the same load zone as determined by the location based marginal price (referred to as "Remote Net Metering").

The Notice directed utilities to make filings necessary to conform their tariffs to the new statutory requirements. The requisite proposed tariff amendments were to be filed by October 12, 2012 and bear an effective date of February 1, 2013.

### Overview of the Filing

Similar to the processes that were established for customers installing farm and non-residential solar photovoltaic or farm waste generators, and farm and non-residential wind electric generators, a farm or non-residential customer installing micro-hydroelectric generation that wants to pursue Remote Net Metering must designate the Host Account (where the eligible generator is interconnected with the Companies' distribution system) and the Satellite Accounts (additional accounts in the customer's name) on a form when submitting their initial remote net metering application.

After the initial application for Remote Net Metering, a customer will be able to designate additional satellite accounts or delete existing active satellite accounts from participating in Remote Net Metering once per year, beginning on January 1. The customer will have up to 30 days to make such changes.

In a month where the Host Account has excess generation, the excess generation will be converted to the equivalent monetary value at the per kWh rate applicable to the Host Account's service classification. The credit will first be applied to the Host Account's current electric bill. Any remaining monetary credit will be allocated between the Host Account and the Satellite Accounts based on the percentage the customer designated to remain on the Host Account. The portion designated for the Satellite Accounts will be applied to the Satellite Account bills as each subsequent Satellite Account bill is calculated. In the case of two Satellite Accounts billed on the same day, the credit will be applied to the highest usage account first. If a monetary credit remains after applying credits to all designated Satellite Accounts, the credit will be carried forward on the Host Account as a monetary credit to the next billing period.

### Publication

The Company requests that the requirement of § 66(12)(b) of the Public Service Law and 16 NYCRR §720-8.1 as to newspaper publication be waived because existing non-residential and farm customers affected by these tariff changes will be notified directly. New customers will be advised of these tariff changes when they enter into interconnection agreements with the Company.

**Honorable Jaclyn A. Brilling**  
**October 11, 2012**

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

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Lori A. Cole".

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