NEW YORK STATE OF OPPORTUNITY. | Department of Public Service

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July 30, 2019

Dear Community Leader/Elected Official:

In May 2019, New York State Electric & Gas Corporation (NYSEG) and Rochester Gas and Electric Corporation (RG&E) requested that the New York State Public Service Commission (Commission) approve proposed increases in their electric and gas rates to take effect in April 2020. NYSEG and RG&E (collectively, the Companies) serve approximately 1,786,000 customers in 46 counties in upstate and western New York.

I am writing to inform you that the Commission has scheduled public statement hearings to gather public input on Companies' proposal. The hearings are open to the public who wish to participate and comment. The public comments received at these hearings will be considered by the Commission in deciding this case. The enclosed fact sheet provides detailed information on how to participate in the public statement hearings as well as the available options to submit comments on the proceedings.

I would appreciate your assistance with informing your constituents about the public statement hearings and encouraging them to provide comments. It is the Commission's intent to facilitate and encourage active and meaningful participation throughout all of its proceedings. We hope you will consider joining us at one of these hearings.

Sincerely,

John B. Auricchio

John B. Auricchio
Acting Director
Office of Consumer Services

Enc.

NEW YORK STATE OF OPPORTUNITY. | **Public Service Commission**

Factsheet and Notice of Public Hearings

New York State Electric & Gas/Rochester Gas and Electric Proposed Rate Request

In May 2019, New York State Electric & Gas Corporation (NYSEG) and Rochester Gas and Electric Corporation (RG&E) requested that the New York State Public Service Commission (Commission) approve proposed increases in their electric and gas rates to take effect in April 2020. NYSEG and RG&E (collectively, the Companies) serve approximately 1,786,000 customers in 46 counties in upstate and western New York.

New York State Department of Public Service (DPS) Staff is in the process of evaluating whether - or to what extent - a rate increase is justified. DPS Staff represents the public interest in these proceedings and evaluates such requests with the goal of ensuring safe and reliable service at just and reasonable rates. Review of the filings is also underway by other parties to these proceedings. The information contained below does not reflect DPS Staff's ongoing evaluation of the proposals.

The Commission is seeking public comment on the Companies' proposed increases to electric and gas delivery rates. A series of public statement hearings will be held in August 2019 in the Companies' service territories. Details regarding the hearings and other ways to comment on the proposals can be found in the Public Involvement section of this factsheet.

Summary of the Rate Case

According to the filings, RG&E's electric rate proposal is driven by increases in operating expenses and infrastructure investments, while NYSEG's proposal is driven by increased costs associated with expanded vegetation management. The gas delivery rate increases at the Companies are primarily associated with infrastructure investments and increases to operation and maintenance expenses.

Proposed Rates:

An electric or gas bill consists of two parts: a supply charge and a delivery charge. Through the *supply* charge, the utility recovers the cost of the electric or gas commodity. The cost of the commodity is determined by the competitive market place and is not set by the Commission or the utility. Through the *delivery* charge, the utility recovers the cost to transport electricity or gas to customers through the utility's delivery system. The delivery charge is regulated by the Commission.

NYSEG:

Under NYSEG's proposal, annual electric delivery rates would increase by $156.7 million (20.4% on base delivery revenues and 10.4% in total revenues) and annual gas delivery rates would increase by $6.3 million (3% in gas delivery revenues and 1.4% in total revenues). NYSEG projects that the average residential monthly electric bill will increase by $10.20 (or 13.5% on the total bill). The average monthly residential gas bill will increase by $1.03 (or 0.9% on the total bill).

RG&E:
RG&E requests an annual electric rate increase of $31.7 million (7.0% on base delivery revenues and 4.1% in total revenues) and an annual gas rate increase of $5.8 million (3.3% on base delivery revenues and 1.4% in total revenues). RG&E projects that the average monthly residential electric bill will increase by $2.76 (or 2.9% on the total bill). The average monthly residential gas bill will increase by $1.66 (or 2.3% on the total bill).

The actual bill impacts for NYSEG and RG&E customers will vary by customer class based upon revenue allocations and rate design.

Major Rate Case Components:

- Vegetation Management: NYSEG is proposing to move to a full-cycle distribution vegetation management program. According to the Company, implementing this program would reduce the number of tree-related outages and provide for faster storm restoration.
- Outside Services and Incremental Maintenance Expenses: The Companies are proposing several new initiatives, including programs related to inspection and maintenance technologies, transformer monitoring and bushing replacement, and maintenance at Fossil and Hydro facilities.
- Leak Prone Pipe Replacement: The Companies plan to replace 30 miles of pipe per year. The program will reduce leaks and risks to the distribution system.
- Resiliency and Emergency Preparedness: The Companies developed a Resiliency Plan as a requirement of the 2018 DPS Staff Storm Report (Case 19-M-0285). The plan includes Enhanced Vegetation Management, transmission line upgrades, pole replacements, installation of tree wire and topology improvements.
- Heat Pump Adoption: The Companies are proposing to accelerate residential heat pump adoption starting in 2019 in order to achieve their share of the Statewide 5 Btu heat pump goal for 2020-2025.
- Electric Vehicles (EV): The Companies are proposing an EV program with charging infrastructure, EV load integration and customer engagement. The Companies are also implementing three EV-related pilots and demonstration projects – two at NYSEG and one at RG&E.
- Low Income Programs: The Companies propose to increase the Bill Reduction program based on greater customer participation, which will be offset by elimination of the Arrears Forgiveness program.
- Walk-In Office Closures: The Companies propose to close 15 of their 18 walk-in offices due to decreasing levels of transactions at these locations.

The full text of the rate cases may be viewed online at DPS's www.dps.ny.gov website. From the homepage, click on "Search," and enter any of the case numbers (NYSEG electric: 19-E-0378, NYSEG gas: 19-G-0379, RG&E electric: 19-E-0380 or RG&E gas: 19-G-0381) in the "Search by Case Number" field.

PUBLIC INVOLVEMENT

The Commission strongly believes that obtaining public input is a critical component of the rate-setting process. Stakeholders, such as consumers, government agencies and officials, public interest and environmental groups, and industry representatives, are invited to participate in the process, review the proposals, and submit comments.

An Administrative Law Judge (ALJ) will preside over the gathering of public comments and all evidence relating to the rate requests. The Commission must consider a utility's proposal and may adopt or reject it in whole or in part or modify it by adopting changes proposed by participating parties, the public or the Commission.

There are several ways to participate in the rate case review process, including:

- **Become a Party**: Some individuals or groups participate in rate cases by becoming a party in the case. Becoming a party to a case enables an individual or group to contribute to the development of a complete record by conducting discovery, submitting testimony, briefs, or other formal written comments, and participating in evidentiary hearings, procedural conferences and other formal events conducted in the case.

  Interested groups or individuals can submit a request for party status online through the Commission's www.dps.ny.gov website by searching for the case numbers and clicking the "Request for Party Status" link at the top of the case page. Alternatively, a request form may be downloaded from the website or obtained by calling 518-474-4520 or by writing to the NYS Public Service Commission, Three Empire State Plaza, Albany, NY 12223. The requestor will be provisionally given party status, subject to the right of other parties to object and subject to the determination of the Administrative Law Judge.

- **Join the Service List**: Interested persons who wish to monitor the proceedings of a particular case may do so without the formal commitment to become a party to the proceeding. The persons who subscribe to the service list of a case will receive an e-mail with a direct link to the documents issued by the Commission, such as orders, notices, and rulings. Persons unable or unwilling to receive such electronic notification will receive hard copies of Commission-issued documents by regular mail.

  To register online, visit the Commission's www.dps.ny.gov website, search for the rate case numbers and click on the "Subscribe to Service List" link at the top of the page. A "Service List and Mail Service List Request Form" may be downloaded from the site and the completed form sent by e-mail to Hon. Kathleen H. Burgess, Secretary at secretary@dps.ny.gov or by mail to: Secretary, Public Service Commission, Three Empire State Plaza, Albany, NY 12223-1350.

- **Monitor the Case on the Commission Website**: Interested persons who choose not to sign up to receive e-mail notifications may view the Commission's website at their convenience to check on the status of a case. All documents filed by parties, correspondence, hearing transcripts, and Commission issued documents in a given case are posted on the website. All comments submitted by the public are posted under the "public comments" tab for the case.

➢ **Provide Comments**: All comments may be submitted through the methods below:

- **Via Public Statement Hearings**: The Commission will hold hearings in the Companies' service territories. Each hearing will be proceeded by an informational forum where a NYSEG/RGE representative will provide an overview of the Companies' proposals and an Administrative Law Judge will explain the rate case process pursuant to the Public Service Law and how individuals can participate. It is not necessary to make an appointment in advance or present written material in order to speak at the hearing.*

Date	Location	Time
Tuesday, August 6	City of Rochester City Council Chambers 30 Church Street Rochester, NY 14614	Information Forum – 1:30 pm Public Statement Hearing – 2:30 pm Information Forum – 6:00 pm Public Statement Hearing – 7:00 pm
Wednesday, August 14	Keene Valley Public Library 1796 NYS Route 73 Keene Valley, NY 12943	Information Forum – 1:00 pm Public Statement Hearing – 2:00 pm
	Tompkins County Public Library Borg Warner Room 101 E. Green Street Ithaca, NY 14850	Information Forum – 1:00 pm Public Statement Hearing – 2:00 pm
Thursday, August 15	Binghamton City Hall Council Chambers 38 Hawley Street Binghamton, NY 13901	Information Forum – 5:00 pm Public Statement Hearing – 6:00 pm

- **Via the Department's Website:** Comments may also be entered directly into the case by locating the case via the home page of the Commission's website, www.dps.ny.gov, by clicking on "Search," and entering the associated case number (19-E-0378, 19-G-0379, 19-E-0380 or 19-G-0381) in the "Search by Case Number" field. After clicking to open the case, enter comments in the "Post Comments" section located at the top of the page.

- **Via Mail/E-Mail:** Submit comments electronically to Kathleen H. Burgess, Secretary, at secretary@dps.ny.gov or by mail or delivery to Secretary Burgess at the Department of Public Service, Three Empire State Plaza, Albany, New York 12223-1350. Comments delivered in these manners should reference "NYSEG and RG&E Rate Cases (19-E-0378/19-G-0379 and 19-E-0380/19-G-0381)".

- **Via Toll-Free Opinion Line**: Individuals may choose to submit comments by calling the Commission's toll-free Opinion Line at 1-800-335-2120. This line is set up to receive in-state calls 24-hours a day. Comments received via the Opinion Line are not transcribed, but a summary is provided to the Commission for their consideration.

Comments will be accepted at any point while this proceeding is pending but are requested by **August 26, 2019** to ensure full consideration. All comments will become part of the record considered by the Commission.

*Disabled persons requiring special accommodations should call the Department of Public Service Human Resources Management Office at 518-474-2520 as soon as possible. TDD users may request a sign language interpreter by placing a call through the New York Relay Service at 711. Individuals with difficulty reading or understanding English are encouraged to call DPS at 1-800-342-3377 for free language assistance services.