



New York State Electric & Gas Proposed Rate Request

Cases 19-E-0378 and 19-G-0379

In May 2019, New York State Electric & Gas Corporation (NYSEG) requested that the New York State Public Service Commission (Commission) approve proposed increases in its electric and gas rates to take effect in April 2020. NYSEG serves over a million customers in several 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 herein does not reflect DPS Staff's ongoing evaluation of the proposals.

The Commission is seeking public comment on the company's proposed increases to electric and gas delivery rates. A series of public statement hearings were held in the Company's service territory in August and an additional hearing is scheduled for September 5, 2019. 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 company's filing, NYSEG's electric delivery rate proposals are primarily driven by increased costs associated with expanded vegetation management. The gas delivery rate increases at the Company 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.

Under NYSEG's proposal, annual electric delivery rates would increase by \$174.5 million (22.7% on base delivery revenues and 11.6% in total revenues) and annual gas delivery rates would increase by \$9.4 million (4.6% in gas delivery revenues and 2.1% in total revenues). NYSEG projects that the average residential monthly electric bill will increase by \$11.23 (or 15.0% on the total bill). The average monthly residential gas bill will increase by \$1.71 (or 1.9% on the total bill).

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 Company is proposing several new initiatives, including programs related to inspection and maintenance technologies, transformer monitoring and bushing replacement, and maintenance at its legacy fossil fuel and hydro facilities.
- **Leak Prone Pipe Replacement:** NYSEG is planning to replace 30 miles of leak prone natural gas pipe per year. The program will reduce leaks and risks to the natural gas distribution system.
- **Resiliency and Emergency Preparedness:** The Company is developing 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 Company is proposing to accelerate residential heat pump adoption starting in 2019 in order to achieve its share of the Statewide 5 Btu heat pump goal for 2020-2025.
- **Electric Vehicles (EV):** The Company is proposing an EV program with charging infrastructure, EV load integration and customer engagement. The Company is also implementing two EV-related pilots and demonstration projects.
- **Low Income Programs:** NYSEG is proposing 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 Company is proposing to close several 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,) 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.

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 Hearing*:** The Commission will hold a hearing on September 5, 2019. The hearing will be preceded by an informational forum where a NYSEG representative will provide an overview of the Company’s proposals and a DPS representative will explain the rate case process pursuant to the Public Service Law and how individuals can participate. The date, time and location of the hearing are listed below:

Date	Location	Time
Thursday, September 5	Town of Yorktown Town Hall Boardroom 363 Underhill Avenue Yorktown Heights, NY 10598	Information Forum – 6:00 pm Public Statement Hearing – 7:00 pm

*It is not necessary to make an appointment or present written materials in order to speak at the hearing. Disabled persons requiring special accommodations should call DPS’s Human Resources Management Office at 518-474-2520 as soon as possible. TDD users may request a sign language interpreter by calling 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.

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- **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 and 19-G-0379) 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 Rate Cases (19-E-0378/19-G-0379)”.
- **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 **September 16, 2019**. All comments will become part of the record considered by the Commission.