
BRICKFIELD BURCHETTE
RITTS & STONE, PC

July 3, 2008

VIA U.S. MAIL

Jaclyn A. Brillling, Secretary
Department of Public Service
Three Empire State Plaza
Albany, NY 12223-1350

RE: Case No. 07-M-0906
Joint Petition of Iberdrola, S.A., Energy East
Corporation, RGS Energy Group, Inc., Green
Acquisition Capital, Inc., New York State Electric
& Gas Corporation and Rochester Gas and Electric
Corporation for Approval of the Acquisition of
Energy East Corporation by Iberdrola, S.A.

Dear Secretary Brillling:

Please accept this letter on behalf of Nucor Steel Auburn, Inc. in lieu of a reply brief on exceptions as Nucor seeks to address a single issue relating to Staff's proposed Rate Plan Process. (Staff Exceptions Brief ("EB") at 44-50).

The Recommended Decision proposed on immediate reduction in NYSEG and RG&E delivery rates of \$201 million followed by full eleven month base rate filings for each utility. (RD at 2, 144-45). Staff agrees to the immediate, temporary rate reduction (Staff EB at 45), but would follow the asset closing with a streamlined and expedited rate filing for each of the four utilities (electric and gas). (Staff EB at 46-47). Staff seeks filings from each utility within 45 days of Commission approval of the transaction that would include four year financial projections. *Id.* Staff also would incorporate resolution of revenue decoupling mechanism issues and Staff's dispute with NYSEG over charges to its Asset Sale Gain Account ("ASGA") that have been reflected in NYSEG's Annual Compliance Filings (ACFs) in the expedited base rate reviews.

Nucor has objected previously to Staff's proposed expedited and streamlined rate setting process. (Nucor Reply Brief at 3-4). The process would not provide the level or

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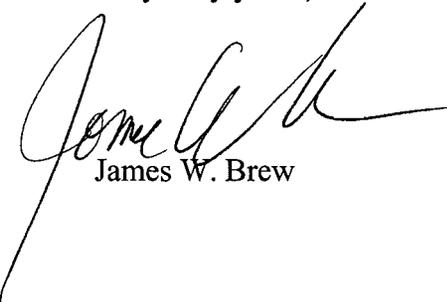
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quality of data required to set delivery rates.¹ There would be little, if any, opportunity for intervenors to perform discovery and prepare positions. Staff's proposal also hints at expectations concerning the likelihood of a negotiated settlement (Staff EB at 48) that may be unrealistic.

Also, Nucor notes that Staff Witnesses Benedict and Dickens recommended that their corrections to NYSEG's ACF filings be implemented by restoring the disputed sums to the ASGA. (SM 1627-28 and 1753-55). This can be accomplished without a hastily convened and multiple overlapping rate plan process.

In short, Nucor opposes the Staff's proposed Rate Plan Process and reiterates its recommendation that the Commission avoid mandating base delivery rate filings in its resolution of this matter.

Very truly yours,



James W. Brew

Enclosures: a/s

Cc: Honorable Judge Rafael Epstein (via electronic mail)
All Parties of Record (via electronic mail or U.S. mail as designated)

¹ Staff and virtually all parties objected to NYSEG's abbreviated filing in Case 01-E-0539.