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Audrey Zibelman, Chair

Contact:

Jon Sorensen | Jon.Sorensen@dps.ny.gov | (518) 474-7080

<http://www.dps.ny.gov>

<http://twitter.com/NYSDPS>

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PSC Adopts Three-Year Rate Plans for NYSEG and RG&E

— Smart Meters, Money-Saving Technologies Will Be Tested in Ithaca —

ALBANY — The New York State Public Service Commission (Commission) today adopted three-year electric and gas rate plans for New York State Electric and Gas Corporation (NYSEG) and Rochester Gas and Electric Corporation.

Effective July 1 of this year through April 30, 2019, typical residential electric customers in NYSEG's service territory (using 600 kilowatt-hours a month) will see a monthly delivery charge increase of approximately \$2.20 in the first year with increases of \$1.76 and \$1.79, respectively, in the second and third years. Under the company's proposal, in rate year one, typical residential customers would have experienced an increase in delivery charges of \$8.79 (or 24 percent) per month.

RG&E had proposed a \$7.17 monthly increase for typical residential electric customers (a 14.9 percent increase). By the agreement approved today these customers will see approximate increases in monthly delivery bills of \$1.10, \$2.39, and \$2.84, respectively, over the next three years.

Typical residential gas customers in NYSEG's service territory (using 80 therms per month) will see a monthly delivery charge increase of approximately \$1.35, \$4.01, and \$4.21 in rate year one, two and three, respectively. That's less than the \$10.45 (or 21.3%) monthly increase proposed by NYSEG.

For RG&E customers, monthly delivery charge increases will be approximately \$2.39, \$1.60 and \$1.95, respectively. A typical gas customer would have paid an additional \$5.85 (or 15.3%) per month under the company's original request.

The plans also include investments in new technology and systems to make electric and gas service more reliable. For example, the companies will continue to invest in electric distribution system automation equipment. Additionally, NYSEG will be allowed to recover \$262 million in repair costs resulting from storm damage since 2010. Roughly \$123 million of those repair costs were the result of "super storms" -- Superstorm Sandy, Hurricane Irene and Tropical Storm Lee. The recovery of repair costs for these super storms will be spread out over the next 10 years.

Other provisions of the new rate plans include:

Low Income Programs

The rate plans comply with New York State's Energy Affordability Policy, which has recently been approved by the Commission. This policy seeks to limit energy costs to no more than six percent of a household's income. Funding for the low-income discount programs of NYSEG and RG&E will increase over the next three years. In addition to energy efficiency, budget counseling and similar programs through the EmPower program of the New York State Energy Research and Development Authority (NYSERDA), the plan waives all reconnection fees for low-income customers.

LED Street Lighting

The companies have also committed to filing tariffs applicable to light-emitting diode (LED) street lighting within six months. The LED tariffs are important for communities looking for ways to reduce energy costs with more-efficiency street lighting options.

Energy Smart Communities

The rate plans also include funding for the deployment of smart meters, starting in 2017, to approximately 12,000 NYSEG customers in the City of Ithaca and the surrounding area. These advanced meters will be used to send electric usage information between the customer and NYSEG, and will be used to test new energy-saving technologies and services.

Cost-Saving Alternatives

NYSEG and RG&E also agreed to continue evaluating two non-wires alternative (NWA) projects:

- To address poor reliability performance at its JAVA substation, NYSEG is considering alternatives to installing new transformers, while,
- RG&E will consider the proposed NWA solutions to overloads at its Station 43 transformer.

Walk-in Offices

After proposing the closure of seven of its 21 walk-in customer service centers, the companies have agreed to closing only three: RG&E's offices in Belmont and Geneseo, along with the NYSEG office in Mechanicville. The Companies will continue to provide customers with 24-hour self-service lines, website access, and payment options at Wal-Mart stores and Western Union locations. Additionally, the Companies will implement a credit card payment option.