

(\$000s)	2010			2011			2012			2013			2014			
	Company	Staff	Company	Company	Staff	Company	Company	Staff	Company	Company	Staff	Company	Company	Staff	Company	
	Proposal	Proposal	Rebuttal	Proposal	Proposal	Rebuttal	Proposal	Proposal	Rebuttal	Proposal	Proposal	Rebuttal	Proposal	Proposal	Rebuttal	
NYSEG Electric																
Other Capital (not challenged by Staff)	118,454	118,454	118,454	88,842	88,842	88,842	75,163	75,163	75,163	92,711	92,711	92,711	100,672	100,672	100,672	
GMI	6,329	0	0	165,514	0	0	198,617	0	0	238,340	0	0	286,008	0	0	
TDIRP	0	8,333	8,333	0	25,000	25,000	0	25,000	25,000	0	25,000	25,000	0	25,000	25,000	
Biogas 34.5kV Collector System																
South Park Substation New Transformer	1,348	0	1,348													
New Mobile Substations	2,608	7,000	2,608	1,750	0	1,750	3,500	0	3,500	3,500	0	3,500	1,750	0	1,750	
Belleaire Substation New Transformer	750	0	0	2,649	0	0										
Electric GIS				4,756	0	4,756	1,113	200	1,113							
T&D Capital Subtotal	129,489	133,787	130,743	263,511	113,842	120,348	278,393	100,363	104,776	334,551	117,711	121,211	388,430	125,672	127,422	
Common Capital (less Radio Project)	10,742	10,742	10,742	24,751	24,751	24,751	24,348	24,348	24,348	23,343	23,343	23,343	18,468	18,468	18,468	
Mobile Radio Project	5,369	0	5,369	2,201	0	2,201										
Total Capital Investment	145,600	144,529	146,854	288,262	138,593	145,099	302,741	124,711	129,124	357,894	141,054	144,554	406,898	144,140	145,890	
Staff Exhibit EIP-3		144,528			138,593			124,711			141,054			144,140		

(\$000s)	2010			2011			2012			2013			2014			
	Company	Staff	Company	Company	Staff	Company	Company	Staff	Company	Company	Staff	Company	Company	Staff	Company	
	Proposal	Proposal	Rebuttal	Proposal	Proposal	Rebuttal	Proposal	Proposal	Rebuttal	Proposal	Proposal	Rebuttal	Proposal	Proposal	Rebuttal	
RGE Electric																
Other Capital (not challenged by Staff)	69,338	69,338	69,338	109,629	109,629	109,629	116,285	116,285	116,285	156,389	156,389	156,389	165,681	165,681	165,681	
GMI	6,544	0	0	66,215	0	0	79,458	0	0	95,350	0	0	114,420	0	0	
TDIRP	0	5,000	5,000	0	15,000	15,000	0	15,000	15,000	0	15,000	15,000	0	15,000	15,000	
Station 416 New Transformer (RIT)	800	0	800	1,888	1,460	1,888										
Station 246 Add Second Trans and Crkts							2,600	0	0	2,861	0	0				
Electric GIS				2,368	0	2,368	557	100	557							
T&D Capital Subtotal	76,682	74,338	75,138	180,100	126,089	128,885	198,900	131,385	131,842	254,600	171,389	171,389	280,101	180,681	180,681	
Common Capital	4,119	4,119	4,119	8,143	8,143	8,143	6,695	6,695	6,695	5,964	5,964	5,964	5,574	5,574	5,574	
Total Capital Investment	80,801	78,457	79,257	188,243	134,232	137,028	205,595	138,080	138,537	260,564	177,353	177,353	285,675	186,255	186,255	
Staff Exhibit EIP-3		78,457			134,232			138,082			177,353			186,255		

(\$000s)	2010			2011			2012			2013			2014			
	Company	Staff	Company	Company	Staff	Company	Company	Staff	Company	Company	Staff	Company	Company	Staff	Company	
	Proposal	Proposal	Rebuttal	Proposal	Proposal	Rebuttal	Proposal	Proposal	Rebuttal	Proposal	Proposal	Rebuttal	Proposal	Proposal	Rebuttal	
NYSEG Gas																
Other Capital (not challenged by Staff)	22,000	22,000	22,000	26,095	26,095	26,095	26,878	26,878	26,878	27,684	27,684	27,684	28,515	28,515	28,515	
Reduction in general categories				2,214	0	0	1,147	0	0	1,646	0	0	2,481	0	0	
Seneca West Pipeline to Elmira				4,285	0	4,285										
Seneca Storage OPTO 22				1,851	0	1,851										
Binghamton Gas SCADA				2,249	0	2,249										
Oakwood Ave. to Gardner Ave.							4,475	0	4,475							
Lansing Interconnect							1,050	0	1,050							
Pawling Franchise										5,500	0	0				
T&D Capital Subtotal	22,000	22,000	22,000	36,694	26,095	34,480	33,550	26,878	32,403	34,830	27,684	27,684	30,996	28,515	28,515	
Common Capital	2,360	2,360	2,360	5,801	5,801	5,801	6,796	n/a	6,796	6,804	n/a	6,804	5,400	n/a	5,400	
Mobile Radio Project	1,483	0	1,483	693	0	693										
Total Capital Investment	25,843	24,360	25,843	43,188	31,896	40,974	40,346	n/a	39,199	41,634	n/a	34,488	36,396	n/a	33,915	

Note that Seneca Storage OPTO 22 project will not be done if Seneca Storage sale proceeds to completion
 Staff proposes increase by inflation
 Assume 3% inflation

Note that Staff's common capital does not include NYSEG mobile radio project at \$1483 gas allocation.

(\$000s)	2010			2011			2012			2013			2014			
	Company	Staff	Company	Company	Staff	Company	Company	Staff	Company	Company	Staff	Company	Company	Staff	Company	
	Proposal	Proposal	Rebuttal	Proposal	Proposal	Rebuttal	Proposal	Proposal	Rebuttal	Proposal	Proposal	Rebuttal	Proposal	Proposal	Rebuttal	
RG&E Gas																
Other Capital (not challenged by Staff)	22,000	22,300	22,300	28,164	28,164	28,164	29,995	n/a	29,995	33,653	n/a	33,653	31,777	n/a	31,777	
10 % slippage				3,129	0	0										
T&D Capital Subtotal	22,000	22,300	22,300	31,293	28,164	28,164	29,995	n/a	29,995	33,653	n/a	33,653	31,777	n/a	31,777	
Common Capital	2,218	2,218	2,218	3,110	3,110	3,110	3,305		3,305	3,212		3,212	3,002		3,002	
Total Capital Investment	24,218	24,518	24,518	34,403	31,274	31,274	33,300	n/a	33,300	36,865	n/a	36,865	34,779	n/a	34,779	

Note that staff proposal identifies \$22 million and a reconciliation requirement estimated at \$0.3million based on year end capital

O&M Testimony Delta Exhibit

Expense Item	Original Testimony \$	Staff Testimony \$	Rebuttal Testimony \$	Delta (Original/Rebuttal)	Tracking (reconciliation)	Comment
NYSEG						
LiDAR Survey	\$ 490,000	\$ -	\$ 490,000	\$ -		Rejected by Morrell
				\$ -		
ROW Clearing	\$ 54,400	\$ -	\$ -	\$ (54,400)		Rejected by Morrell, accepted by NYSEG
				\$ -		
Distribution VM	\$ 25,300,000	\$ 5,100,000	\$ 25,300,000	\$ -	1 way	Partial allowance by Pause
				\$ -		
Electric Maintenance	\$ 8,500,000	\$ 4,250,000	\$ 8,500,000	\$ -		Partial allowance by Pause
				\$ -		
Stray Voltage	\$ 1,337,000	\$ 912,000	\$ 1,337,000	\$ -		Partial allowance by RRP
				\$ -		
				\$ -		
				\$ -		
				\$ -		
				\$ -		
				\$ -		
				\$ -		
RG&E						
Distribution VM	\$ 6,600,000	\$ 6,600,000	\$ 6,600,000	\$ -	1 way	Full allowance by Pause
				\$ -		
Stray Voltage	\$ 1,386,000	\$ 694,000	\$ 1,386,000	\$ -		Partial allowance by RRP
				\$ -		
Electric Maintenance	\$ 3,700,000	\$ 1,850,000	\$ 3,700,000	\$ -		Partial allowance by Pause
				\$ -		
				\$ -		
				\$ -		
				\$ -		
				\$ -		
				\$ -		
				\$ -		
				\$ -		
Total	\$ 47,367,400	\$ 19,406,000	\$ 47,313,000			

Company	2008/2009 Regulatory Target	2008 Actual	2009 Actual	Percentage Change
SAIFI				
NYSEG	1.20	1.11	1.08	-3%
RGE	0.90	0.78	0.59	-24%
CAIDI				
NYSEG	2.08	2.08	2.00	-4%
RGE	1.90	1.85	1.80	-3%

RELIABILITY INDICES - 2008 AND 2009

NYSEG		
2008	CAIDI	SAIFI
Jan	1.71	0.074
Feb	2.03	0.156
Mar	1.96	0.263
Apr	1.90	0.329
May	1.90	0.419
Jun	1.94	0.567
Jul	2.00	0.704
Aug	2.04	0.810
Sep	2.05	0.895
Oct	2.06	0.962
Nov	2.06	1.026
Dec	2.08	1.109

RG&E		
2008	CAIDI	SAIFI
Jan	2.19	0.033
Feb	1.72	0.097
Mar	1.85	0.149
Apr	1.99	0.214
May	2.04	0.243
Jun	1.98	0.421
Jul	1.95	0.514
Aug	1.94	0.570
Sep	1.90	0.603
Oct	1.88	0.684
Nov	1.87	0.723
Dec	1.85	0.776

NYSEG		
2009	CAIDI	SAIFI
Jan	2.08	0.044
Feb	2.09	0.103
Mar	1.99	0.16
Apr	1.91	0.27
May	2.05	0.41
Jun	2.02	0.53
Jul	2.08	0.67
Aug	2.03	0.78
Sep	1.99	0.85
Oct	2.00	0.98
Nov	1.99	1.02
Dec	2.00	1.08

RG&E		
2009	CAIDI	SAIFI
Jan	1.61	0.012
Feb	1.56	0.077
Mar	1.67	0.11
Apr	1.76	0.21
May	1.80	0.27
Jun	1.80	0.34
Jul	1.78	0.39
Aug	1.80	0.46
Sep	1.77	0.49
Oct	1.76	0.53
Nov	1.77	0.56
Dec	1.80	0.59

BEFORE THE
NEW YORK STATE
PUBLIC SERVICE COMMISSION

-----X

Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of New York State Electric & Gas Corporation for Electric Service	Case 09-E-0715
Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of New York State Electric & Gas Corporation for Gas Service	Case 09-G-0716
Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Rochester Gas and Electric Corporation for Electric Service	Case 09-E-0717
Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Rochester Gas and Electric Corporation for Gas Service	Case 09-G-0718

-----X

Exhibit __ (CRO Rebuttal - 4) of Capital Expenditures,
Reliability and Operations Panel Rebuttal Testimony

- Responses to: NYSEG-RGE-71
 NYSEG-RGE-72
 NYSEG-RGE-74
 NYSEG-RGE-114
 NYSEG-RGE-116
 NYSEG-RGE-117
 NYSEG-RGE-118
 NYSEG-RGE-120
 NYSEG-RGE-123
 NYSEG-RGE-124
 NYSEG-RGE-126

February 12, 2010

Case Nos. 09-E-0715, 09-G-0716, 09-E-0717 & 09-G-0718

NYSEG and RG&E - Electric and Gas Rates

DPS Staff Response to Request For Information

Staff Response To: NYSEG-RGE-71 (DPS)
Prepared By: Policy Panel
Date: February 2, 2010

Question:

On page 73 of the Staff Electric Infrastructure Panel testimony, Staff recommends a "smaller, incremental approach to achieving a full cycle tree trimming program" for NYSEG. Please specify what increment of time Staff is proposing before NYSEG can achieve full cycle tree trimming.

Response:

We are proposing that NYSEG fully and successfully implement the distribution tree trimming program outlined in our testimony before any determination is made of when NYSEG could achieve full cycle tree trimming.

Case Nos. 09-E-0715, 09-G-0716, 09-E-0717 & 09-G-0718

NYSEG and RG&E - Electric and Gas Rates

DPS Staff Response to Request For Information

Staff Response To: NYSEG-RGE-72 (DPS)

Prepared By: Policy Panel

Date: February 2, 2010

Question:

Please identify whether any other New York utility has a Distribution Tree Trimming and Vegetation Management mechanism. If so, please specify the number of miles by voltage and cost and whether the mechanism has a negative revenue adjustment associated with it.

If a negative revenue adjustment is utilized, please specify the adjustment amount.

Response:

The Reliability Performance Mechanism (RPM) adopted in Case 05-E-0934 for Central Hudson required the utility to complete 100 miles of enhanced distribution main line tree clearance or incur a negative revenue adjustment of five basis points. In Case 08-E-0887, the RPM required Central Hudson to complete 150 miles of enhanced distribution main line tree clearance or incur a negative revenue adjustment of five basis points.

In the most recent Central Hudson rate proceeding, Case 09-E-0588, which is still under consideration by the Commission, Staff has recommended that the Company incorporate its enhanced tree trimming efforts into its overall tree trimming activities, that the enhanced tree clearance target be eliminated, and that the 5 basis point negative revenue adjustment previously incurred for failure to meet enhanced tree clearance targets be added to the amount of the negative revenue adjustments incurred for failure to meet SAIFI and CAIDI targets.

Case Nos. 09-E-0715, 09-G-0716, 09-E-0717 & 09-G-0718

NYSEG and RG&E - Electric and Gas Rates

DPS Staff Response to Request For Information

Staff Response To: NYSEG-RGE-74 (DPS)
Prepared By: Policy Panel
Date: February 2, 2010

Question:

Please identify any instance where a New York utility has had its SAIFI and CAIDI reliability performance metric negative revenue adjustments doubled and then doubled again within four years, even though the utility has continued to meet its SAIFI/CAIDI metrics.

Response:

Staff is not relying upon instances where SAIFI and CAIDI reliability performance metric negative revenue adjustments have been doubled and then doubled again within four years in developing its reliability performance mechanisms NYSEG and RG&E.

Case Nos. 09-E-0715, 09-G-0716, 09-E-0717 & 09-G-0718

NYSEG and RG&E - Electric and Gas Rates

DPS Staff Response to Request For Information

Staff Response To: NYSEG-RGE-114 (DPS)
Prepared By: Gas Safety Panel
Date: February 8, 2010

Question:

The Staff Gas Safety Panel in its testimony at page 10 recommends that "the value of the regulatory liability adjustments be updated to reflect the new basis point values in this proceeding."

Please provide the methodology, calculation and all workpapers utilized to determine the stated value of each basis point for NYSEG (approximately \$43,000) and RG&E (\$36,000).

Response:

The basis point values used were the best approximation available. They have been updated, as set forth in the Attachment. The actual value of a basis point for use in the adjustments should be calculated at the time these proceedings are decided, in conformance with the rates the Commission will set in these proceedings.

IR NYSEG-RGE-114 (DPS)

Forecast Capital Structure and Costs
(\$ 000)

	Rate Year		Annual Cost		Percent	Weighted Cost Rate Tax Gross- Up at	Before Tax
	Amount	Percent	Percent	Amount			
						39.615%	
Long Term Debt	\$ 1,214,801	51.0%	4.91%	\$ 59,647	2.50%		2.50%
Customer Deposits	\$ 13,960	0.6%	2.45%	\$ 342	0.01%		0.01%
Total Debt	\$ 1,228,761	51.6%	4.88%	\$ 59,989	2.52%		2.52%
Preferred Stock	\$ 10,159	0.4%	3.90%	\$ 396	0.02%	0.01%	0.03%
Common Equity	\$ 1,143,972	48.0%	9.60%	\$ 109,821	4.61%	3.02%	7.63%
	\$ 2,382,891	100.0%	7.14%	\$ 170,206	7.14%	3.03%	10.18%

Forecast Capital Structure and Costs
(\$ 000)

	Rate Year		Annual Cost		Percent	Weighted Cost Rate Tax Gross- Up at	Before Tax
	Amount	Percent	Percent	Amount			
						39.615%	
Long Term Debt	\$ 1,214,801	51.0%	4.91%	\$ 59,647	2.50%		2.50%
Customer Deposits	\$ 13,960	0.6%	2.45%	\$ 342	0.01%		0.01%
Total Debt	\$ 1,228,761	51.6%	4.88%	\$ 59,989	2.52%		2.52%
Preferred Stock	\$ 10,159	0.4%	3.90%	\$ 396	0.02%	0.01%	0.03%
Common Equity	\$ 1,143,972	48.0%	9.61%	\$ 109,936	4.61%	3.03%	7.64%
	\$ 2,382,891	100.0%	7.15%	\$ 170,321	7.15%	3.04%	10.19%
						Difference Staff Rate Base	0.01% \$454,841
						Cost of One Basis Point Equity Ratio	\$36,000

IR NYSEG-RGE-52 (DPS)

RG&E
Forecast Capital Structure and Costs
(\$ 000)

	Rate Year		Annual Cost			Weighted Cost Rate	
	Amount	Percent	Percent	Amount	Percent	Tax Gross-Up at	Before Tax
						39.615%	
Long Term Debt	\$ 821,833	51.7%	7.04%	\$ 57,857	3.64%		3.64%
Customer Deposits	\$ 4,457	0.3%	2.45%	\$ 109	0.01%		0.01%
Total Debt	\$ 826,290	52.0%	7.02%	\$ 57,966	3.65%		3.65%
Preferred Stock	\$ -	0.0%	0.00%	\$ -	0.00%	0.00%	0.00%
Common Equity	\$ 762,193	48.0%	9.80%	\$ 74,695	4.70%	3.08%	7.79%
	\$ 1,588,483	100.0%	8.35%	\$ 132,661	8.35%	3.08%	11.44%

RG&E
Forecast Capital Structure and Costs
(\$ 000)

	Rate Year		Annual Cost			Weighted Cost Rate	
	Amount	Percent	Percent	Amount	Percent	Tax Gross-Up at	Before Tax
						39.615%	
Long Term Debt	\$ 821,833	51.7%	7.04%	\$ 57,857	3.64%		3.64%
Customer Deposits	\$ 4,457	0.3%	2.45%	\$ 109	0.01%		0.01%
Total Debt	\$ 826,290	52.0%	7.02%	\$ 57,966	3.65%		3.65%
Preferred Stock	\$ -	0.0%	0.00%	\$ -	0.00%	0.00%	0.00%
Common Equity	\$ 762,193	48.0%	9.81%	\$ 74,771	4.71%	3.09%	7.80%
	\$ 1,588,483	100.0%	8.36%	\$ 132,737	8.36%	3.08%	11.44%
						Difference	0.01%
						Staff Rate Base	\$401,759
						Cost of a Basis Point	\$32,000
						Equity Ratio	

Case Nos. 09-E-0715, 09-G-0716, 09-E-0717 & 09-G-0718

NYSEG and RG&E - Electric and Gas Rates

DPS Staff Response to Request For Information

Staff Response To: NYSEG-RGE-116 (DPS)
Prepared By: Revenue Requirement Panel &
Jason Pause
Date: February 8, 2010

Question:

At page 4 of the Testimony of Staff Witness James P. Pause, the witness proposes to "retain the existing SAIFI/CAIDI targets identified in the Acquisition Orders." The Staff Revenue Requirements Panel at page 100 recommends that if reserve accounting is continued for RG&E "the word 'or' should be removed from the current definition of a Major Storm so that a storm must both affect 10% of customers and last 24 hours instead of one or [the] other."

Are CAIDI and SAIFI electric reliability targets established on a utility by utility basis?

Please provide the current electric CAIDI and SAIFI targets for each major utility. In addition, for each utility, please provide the specific dollar amounts at risk both in nominal dollars and in basis points.

In recommending retention of the existing SAIFI/CAIDI standards, is Witness Pause relying on the existing definition of Major Storm at RG&E and NYSEG?

If not, please specify by Company the definition of Major Storm he is utilizing.

If the definition proposed by the Staff Revenue Requirements Panel were to be adopted, would Mr. Pause's CAIFI and SAIFI targets be revised? If so, please provide the targets, identify the methodology, and provide any workpapers or calculations utilized to derive the targets.

Response:

1. SAIFI and CAIDI targets are set independently for each electric utility based on its individual characteristics and reliability record.
2. Staff objects. The information requested is a public record. Staff is not obligated to conduct research into public records for the Companies when they are responsible for conducting that research for themselves.
3. The proposal is based on the existing definition of Major Storms set forth at 16 NYCRR §97.1(c).

4. See answer to Question 3 above.

5. The Revenue Requirement Panel (RRP) clarifies that the "Major Storm" terminology it used should instead read "Cost-Qualifying Major Storm." The adoption of the definition of "Cost-Qualifying Major Storm" proposed by the Revenue Requirement Panel would have no effect on the SAIDI and CAIDI thresholds or the Reliability Performance Mechanism. The RRP definition would be used in establishing the costs that can be included in rates when the Companies seek recovery of storm response expenditures made to repair storm damage. The definition of "Major Storm," provided in the answer to Question 3 above, is used in calculating the SAIFI and CAIDI indices, which measure the adequacy of the Companies' responses in restoring electric service following outages. The cost of storm response does not affect the calculation of SAIFI and CAIDA. Although the definition of "Major Storm" could be used in assessing the reasonableness of costs recovered in rates, its use for that purpose is not required, and creating a separate definition for "Cost-Qualifying Major Storm" is necessary to address storm cost recovery issues at NYSEG and RG&E for the reasons given in the RRP testimony.

Case Nos. 09-E-0715, 09-G-0716, 09-E-0717 & 09-G-0718

NYSEG and RG&E - Electric and Gas Rates

DPS Staff Response to Request For Information

Staff Response To: NYSEG-RGE-117 (DPS)
Prepared By: Jason Pause
Date: February 8, 2010

Question:

Staff Witness Pause states on page 4 of his testimony that "[w]ith respect to the negative revenue adjustments set forth in the Acquisition Orders, however, I propose to double those adjustments."

Please provide all calculations and documentation or other materials relied upon by Staff Witness Pause in determining the need for and magnitude of the proposed adjustment.

Response:

As discussed in my testimony at pages 4-5, the magnitude of the proposed adjustments are justified by the Companies' already final decisions to reduce their capital expenditures in 2009 and going forward into 2010. The adjustments hold the Companies accountable for the potential impacts on system reliability that are the consequence of such decisions.

Case Nos. 09-E-0715, 09-G-0716, 09-E-0717 & 09-G-0718

NYSEG and RG&E - Electric and Gas Rates

DPS Staff Response to Request For Information

Staff Response To: NYSEG-RGE-118 (DPS)
Prepared By: Jason Pause
Date: February 8, 2010

Question:

The Staff Electric Infrastructure Panel states on page 20 that "in the event that the Commission does not address this issue in Case 07-M-0906, we are proposing ... an increase in the base revenue adjustments incorporated in the Companies' reliability mechanisms."

Is Witness Pause recommending that the doubling of the revenue adjustments for a failure to meet either the gas or electric CAIFI and SAIFI targets for NYSEG and RG&E should be adopted, regardless of whether or not the Commission addresses the Companies' capital expenditure timing in Case 07-M-0906?

Response:

Yes, for 2011. My testimony and proposed RPM revenue adjustments would not become effective until the calendar year 2011, if approved. That is when the potential effects of the Companies' already final decisions to reduce their capital expenditures in 2009 and going forward into 2010 could actually be experienced. The Electric Infrastructure Panel's adjustment discussed above is for 2010, and is subject to the conditions discussed in that testimony as referenced above.

Case Nos. 09-E-0715, 09-G-0716, 09-E-0717 & 09-G-0718

NYSEG and RG&E - Electric and Gas Rates

DPS Staff Response to Request For Information

Staff Response To: NYSEG-RGE-120 (DPS)
Prepared By: Electric Infrastructure Panel
Date: February 8, 2010

Question:

The Staff Electric Infrastructure Panel states on pages 34-36 of its testimony that it supports the concept and design of the 34.5 kV Biogas Collector System. The Panel proposes that NYSEG not make any capital investment in the project until "at least half (50%) of the identified biogas digester interconnection projects, at each of the two phased locations, have submitted official applications forms to NYSEG ... and NYSEG has approved those projects for interconnection."

Is the Panel's 50% threshold based on the number of proposed projects, the overall size of pending projects or on some other measure? Please specify the calculation methodology.

In light of the proposed 50% restriction, how does the Staff Panel propose to address the situation where a single project exceeds the capability of the existing distribution circuit?

The Staff Panel requires that NYSEG have approved the project for interconnection. What evidence is required to demonstrate this approval?

Is it the Staff Panel's position that the Company should start the collection system construction once the digester design is approved and thereby allow a common in-service date?

Is the Staff Panel suggesting that interconnections be delayed until they can be aggregated to support this project, even if doing so would be contrary to the interconnection timetable requirements? Please explain in detail how the Staff Panel intends for this threshold requirement to be administered.

Response:

1. The 50% threshold was not developed through any specific calculation or methodology. Its basis is an effort to ensure that the proposed farm biogas projects upon which the collector system will depend are viable and will be installed, before going forward with the expenditure of funds on the building of the collector system. This will avoid the problem of making expenditures for building new infrastructure and then discovering that the infrastructure is not needed or is under-used because the assumptions about future use do not actually happen.

2. Projects below the 20% threshold can be connected locally while waiting for the construction of the collector system. The Company should make an effort to work with project owners and coordinate project development for those projects, as mentioned in Response NYRC-0258 (DPS-192), that will exceed the 20% threshold so that they are not placed in the position of having to fund local line enhancements while waiting for the collector system. Projects could be designed to temporarily limit output before the collector system is available, or a common in-service date could be coordinated, or some combination of both, or the Company could develop other methods that could be used to avoid duplicative costs or risks to system reliability.

3. A complete Standardized Interconnection Requirements (SIR) application, design requirements, and associated fees should be submitted to the utility and approved for the specific project, as is normally done before construction or installation begins.

4. Please refer to Answer 2 above.

5. It is not Staff's intention for our proposal to force violations of SIR timetables. Please refer to Answers 1 and 2 above.

Case Nos. 09-E-0715, 09-G-0716, 09-E-0717 & 09-G-0718

NYSEG and RG&E - Electric and Gas Rates

DPS Staff Response to Request For Information

Staff Response To: NYSEG-RGE-123 (DPS)
Prepared By: Jason Pause
Date: February 8, 2010

Question:

Exhibit RPM-2 to Staff Witness Pause's testimony sets forth a proposed distribution tree trimming matrix.

Please provide all workpapers and other calculations underlying the selection of 2700 miles as the appropriate amount of annual line clearing.

Please identify the justification and specify the methodology, analysis or calculation utilized to identify the specific mileage figures for each voltage class.

Please provide the cost of completing the 2700 miles as specified on Exhibit RPM-2, including the market price of line clearance services utilized by voltage class.

Is it Staff's position that the market price of line clearance service does not vary significantly due to external factors like fuel cost, time of year and general crew availability?

If the Companies' price per mile of clearing increases during the rate year, will the number of target miles be adjusted downward to reflect the increased cost of clearing?

Response:

1. In Response NYRC-0277 (DPS-210), NYSEG provided average completed miles of distribution tree trimming work of approximately 2700 miles over the 2004 through 2008 timeframe.
2. The specific miles per voltage class for 35kV and Non-35kV, 3 phase circuits, are in direct correlation with NYSEG's workpaper #224. The specific miles for Non-35kV, 1 phase circuits are the remaining amount needed to complete the 2700 miles discussed in Answer 1 above.
3. Using the same estimated costs per mile per voltage class provided in the Company's workpaper #224, the cost of completing the 2700 miles specified is \$11.9 million.
4. Again, Staff used that same costs provided by the Company within its own workpaper to determine the estimated costs; therefore any costing assumptions would be the same as that of the Company's.
5. No. Refer to Answer 4 above.

Case Nos. 09-E-0715, 09-G-0716, 09-E-0717 & 09-G-0718

NYSEG and RG&E - Electric and Gas Rates

DPS Staff Response to Request For Information

Staff Response To: NYSEG-RGE-124 (DPS)
Prepared By: Jason Pause
Date: February 8, 2010

Question:

Exhibit RPM-2 sets forth a base revenue adjustment of \$10 million for both NYSEG and RG&E relating to tree trimming.

Please identify by voltage class and company how the specific base revenue adjustment was determined and provide any supporting calculations or workpapers.

Please provide the basis for your recommended base revenue adjustments.

Please identify separately what percentage the proposed base revenue adjustment represents of the annual tree trimming budget for NYSEG and for RG&E.

Please separately identify what percentage the proposed base revenue adjustment for a specific voltage class represents of the tree trimming budget of NYSEG and RG&E for each voltage class.

Response:

1. The specific base revenue adjustments were set in conformance with the magnitude of the adjustments used in the existing reliability performance mechanism adjustments. Consequently, there are no workpapers or calculations.
2. Please refer to the testimony at pages 6-9.
3. If the Commission were to approve the proposed base revenue adjustments, the percentage of total adjustment compared to total tree trimming program cost is 37.5% for NYSEG and 45% for RG&E.
4. The percentage per voltage class compared to total tree trimming program cost is 12.5% for NYSEG and 15% for RG&E.

Case Nos. 09-E-0715, 09-G-0716, 09-E-0717 & 09-G-0718

NYSEG and RG&E - Electric and Gas Rates

DPS Staff Response to Request For Information

Staff Response To: NYSEG-RGE-126 (DPS)
Prepared By: David Morrell
Date: February 3, 2010

Question:

On page 4 of Staff witness Morrell's testimony, he opposes the use of LIDAR. Is the witness' assumption that potential violations under all operating conditions can be identified utilizing aerial patrols?

Response:

Staff expects that Companies can assure that required vegetation clearances from overhead conductors are being maintained through a program that appropriately combines ground patrols, aerial patrols, effective cycle lengths, enforcement of contractor work performance obligations, appropriate vegetation species control, and other means of fulfilling their vegetation management obligations.