

**New York State Electric & Gas  
("NYSEG")**

**and**

**Rochester Gas & Electric  
("RG&E")**

**2014-2015 Winter Supply Plan**

***October 2014 Updates***

**October 3, 2014**



Business Confidential  
Case 14-G-0185





**New York State Electric & Gas  
and  
Rochester Gas & Electric**

**2014-2015 Winter Update Plan**

**October 2, 2014 Updates**

Overview

Please find enclosed information for NYSEG and RG&E that is in response to the request for updated gas supply data for the 2014-2015 winter period. Specifically, the Companies offer the following updates:

- A. Update to Table 7 to reflect updated 2014-2015 Plan prices will be filed under Trade Secret cover. There was no change to the previously filed, redacted version.
- B. Update to Tables 8.1 through 8.6 to reflect updated NYMEX/basis pricing (as of October 1, 2014).

It should be noted that certain responses will be submitted requesting Trade Secret protection pursuant to the Commission's Codes, Rules and Regulations, 16 NYCRR Section 6-1.3

Please do not hesitate to contact Jacqueline Casciani at 607.762.8620 if further information is required.

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**A. Updates to Table 7 (Redacted)**

Please find attached an updated Table 7 for NYSEG and RG&E. The updated information is based on the NYMEX settlement on October 1, 2014. The attachments are meant to be used as replacement pages to the original filing (Pages 58 and 60).

**B. Update to the Bill Impact Comparisons**

Please find attached a bill impact comparison of last winter versus the forecasted 2014-15 winter (Tables 8.1 through 8.6) to reflect updated NYMEX/basis pricing (as of October 1, 2014). The attachments are meant to be used as comparisons against the original filing (Pages 68 through 73).

**Table 7**  
**Winter Supply Hedges Summary**

Company: **New York State Electric & Gas**  
 Submission Date: **7/21/2014**  
 Revision Date: **10/1/2014**

Winter 2014-2015 Plan Purchasing & Projected Prices			
Percent Hedged Normal Winter	Portfolio Summary	Amount (MDT)	Price Commodity Only
	<b>Physical Hedges</b>		
	Market Area Storage*		
	Production Area Storage		
	Fixed Price Contracts		
	<b>Financial Hedges</b>		
	NYMEX Futures		
	Collars		
	Calls		
	Puts		
	<b>Flowing or Floating Price Gas</b>		
	Monthly Index		
	Spot/Daily Price		
<b>TOTAL:</b>			

Market Area Storage WACOG estimated value based on NYMEX close as of 8/31/2014  
 Flowing or Floating Price Gas estimated value based on NYMEX close as of 9/30/2014

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**Table 7**  
**Winter Supply Hedges Summary**

Company: **Rochester Gas & Electric**  
 Submission Date: **7/21/2014**  
 Revision Date: **10/1/2014**

Winter 2014-2015 Plan Purchasing & Projected Prices			
Percent Hedged Normal Winter	Portfolio Summary	Amount (MDT)	Price Commodity Only
	<b>Physical Hedges</b>		
	Market Area Storage*		
	Production Area Storage		
	Fixed Price Contracts		
	<b>Financial Hedges</b>		
	NYMEX Futures		
	Collars		
	Calls		
	Puts		
	<b>Flowing or Floating Price Gas</b>		
	Monthly Index		
	Spot/Daily Price		
<b>TOTAL</b>			

Market Area Storage WACOG estimated value based on NYMEX close as of 8/31/2014  
 Flowing or Floating Price Gas estimated vale based on NYMEX close as of 9/30/2014

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**Table 8.1**  
**Bill Comparison (Excluding Taxes)**  
**Winter 2013-14 to Winter 2014-15**

Company: **New York State Electric & Gas**  
 Creation Date: **June 27, 2014**  
 Revision Date: **October 1, 2014**

Total Bill with no delivery rate change					
1	2	3	4	5	6
Company	2013-14 Average Residential Heating Customer Winter Bill	2013-14 Average Residential Heating Customer Winter Bill	2014-15 Forecasted Residential Heating Customer Winter Bill	Commodity Related Percent Change from Last Winter	Expected Percent Change from Last Winter
	Actual	Normalized	Normalized	(column 4 - column 3) / column 3	(column 4 - column 2) / column 2
NYSEG	\$750	\$705	\$699	-0.9%	-6.9%

**Assumptions:**

Normal = 977 Therms/year with 740 Therms of winter use  
 Last Year = 803 Therms of winter use

**Notes:**

- <sup>1</sup> Identify the impact of any GAC reconciliation surcharge or refund mechanism.
 

2014	GSA1&3 (\$0.000398) - GSA2 \$0.013673/therm
2015	\$0.0008/therm
  
- <sup>2</sup> Identify the impact of any other surcharges or refunds included in bills.
  - System Benefits Charge rate as of 10/1/14 - \$0.012166/therm as of 1/1/15 - \$0.013901 (Winter 2013/14 \$0.01009)
  - Temporary State Assessment Surcharge rate as of 7/1/14 - \$0.0152/therm (Winter 2013/14 \$0.0166)
  - Transition Surcharge rate as of 10/1/14 - \$0.023327/therm  
(Winter 2013/14 GSA1&3 \$0.02346 - GSA2 \$0.01305)
  - Merchant Function Charge (MFC) rate as of 10/1/14 \$0.007826/therm
  - Revenue Decoupling Mechanism (RDM) as of 11/1/14 - (\$0.007154)/therm (Winter 2013/14 (\$0.003269)
  - State GRT rate on delivery charges as of 9/1/14 - 2.0408%
  
  - Gas Supply Charge Average Rate - Winter 2014/15 \$0.5425/therm (Winter 2013/14 \$0.5501/therm).  
 Reflects portfolio changes - termination of TGP 14,816 dth/day of LH capacity eff 10/31/14 and increased Empire-related FT from 20,000 to 34,816 dth/day eff 11/1/14 (replaced the TGP terminated volume).

**Make up of Monthly Bill Impact - Winter 2014-15**

1 Delivery	37.68%
2 GRT	1.82%
3 Transition Surcharge	0.79%
4 Gas Cost Factor	57.45%
5 Systems Benefits Charge	1.41%
6 Merchant Function Charge	0.84%
7 Revenue Decoupling Mechanism (RDM)	-0.50%
8 Temporary NY State Surcharge	0.51%
9 Other	0.00%
	100.00%

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**Table 8.2**  
**Bill Comparison (Excluding Taxes)**  
 Winter 2013-14 to Winter 2014-15

Company: **New York State Electric & Gas**  
 Creation Date: **June 27, 2014**  
 Revision Date: **October 1, 2014**

Delivery Only bill with no delivery rate change					
1	2	3	4	5	6
Company	2012-13 Average Residential Heating Customer Winter Bill	2012-13 Average Residential Heating Customer Winter Bill	2013-14 Forecasted Residential Heating Customer Winter Bill	Commodity Related Percent Change from Last Winter	Expected Percent Change from Last Winter
	Actual	Normalized	Normalized	(column 4 - column 3) / column 3	(column 4 - column 2) / column 2
NYSEG	\$295	\$287	\$287	0.3%	-2.6%

**Assumptions:**

Normal = 977 Therms/year with 740 Therms of winter use  
 Last Year = 803 Therms of winter use

**Notes:**

- <sup>1</sup> Identify the impact of any other surcharges or refunds included in bills.
- System Benefits Charge rate as of 10/1/14 - \$0.012166/therm as of 1/1/15 - \$0.013901 (Winter 2013/14 \$0.01009)
  - Temporary State Assessment Surcharge rate as of 7/1/14 - \$0.0152/therm (Winter 2013/14 \$0.0166)
  - Transition Surcharge rate as of 10/1/14 - \$0.023327/therm  
(Winter 2013/14 GSA1&3 \$0.02346 - GSA2 \$0.01305)
  - Revenue Decoupling Mechanism (RDM) as of 11/1/14 - (\$0.007154)/therm (Winter 2013/14 (\$0.003269)
  - State GRT rate on delivery charges as of 9/1/14 - 2.0408%

**Table 8.3**  
**Bill Comparison (Excluding Taxes)**  
**Winter 2013-14 to Winter 2014-15**

Company: **New York State Electric & Gas**  
 Creation Date: **June 27, 2014**  
 Revision Date: **October 1, 2014**

Supply Only bill					
1	2	3	4	5	6
Company	2012-13 Average Residential Heating Customer Winter Bill	2012-13 Average Residential Heating Customer Winter Bill	2013-14 Forecasted Residential Heating Customer Winter Bill	Commodity Related Percent Change from Last Winter	Expected Percent Change from Last Winter
	Actual	Normalized	Normalized	(column 4 - column 3) / column 3	(column 4 - column 2) / column 2
NYSEG	\$455	\$419	\$412	-1.7%	-9.6%

**Assumptions:**

Normal = 977 Therms/year with 740 Therms of winter use  
 Last Year = 803 Therms of winter use

**Notes:**

- <sup>1</sup> Identify the impact of any GAC reconciliation surcharge or refund mechanism.
 

2014	GSA1&3 (\$0.000398) - GSA2 \$0.013673/therm
2015	\$0.0008/therm
  
- <sup>2</sup> Identify the impact of any other surcharges or refunds included in bills.
  - Merchant Function Charge (MFC) rate as of 10/1/14 \$0.007826/therm
  - Gas Supply Charge Average Rate - Winter 2014/15 \$0.5425/therm (Winter 2013/14 \$0.5501/therm).  
 Reflects portfolio changes - termination of TGP 14,816 dth/day of LH capacity eff 10/31/14 and increased Empire-related from 20,000 to 34,816 dth/day eff 11/1/14 (replaced the TGP terminated volume).

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**Table 8.4**  
**Bill Comparison - Excluding Taxes**  
**Winter 2013/2014 to Winter 2014/2015**

Company: **Rochester Gas & Electric Corp.**  
 Creation Date: **June 26, 2014**  
 Revision Date: **October 1, 2014**

Total Bill no delivery rate change					
1	2	3	4	5	6
Company	2013 - 2014 Average Residential Heating Customer Winter Bill	2013 - 2014 Average Residential Heating Customer Winter Bill	2014 - 2015 Average Residential Heating Customer Winter Bill	Commodity Related Percent Change from Last Winter	Expected Percent Change from Last Winter
	Actual	Normalized	Actual/Normalized	(column 4 - column 3) / column 3	(column 4 - column 2) / column 2
RG&E	\$759	\$684	\$656	-4.1%	-13.5%

**Assumptions:**

Normal = 952 Therms/year with 745 Therms of calendar month use for the winter

Last Year = 838 Therms of calendar month use for the winter

Current = 745 therms of calendar month use for the winter

Notes:

- <sup>1</sup> Identify the impact of any GAC reconciliation surcharge or refund mechanism.
  - > Annual reconciliation for the 12 months ending 8/31/2013 = - \$.002285/therm
  - > Annual reconciliation for 12 months ending 8/31/2014 = .006000/therm\*\*\*
- <sup>2</sup> Identify the impact of any other surcharges or refunds included in bills.
  - > System Benefits Charge (SBC) rate as of 1/1/14: \$.020671/therm; 1/1/15 :\$.018777
  - > Temporary State Assessment Surcharge rate as of 7/1/14: \$.012520/therm; 7/1/13: \$.01270/therm
  - > Merchant Function Charge (MFC) rate was updated for current GSC and September MFC filing update
  - > State GRT rate on delivery charges as of 7/1/12: 2.0408%
  - > Supplier Refund Adjustment as of 5/1/14: -\$0.001120
  - > Includes Delivery rates that are effective 9/1/12
  - > Residential Revenue Decoupling Mechanism effective For 11/1/2013= -004247, 11/1/2104 = \$-.005386/therm

\*\*\* estimate actual filed 10/15/2014

**Make up of Monthly Bill Impact - Winter 2014/2015**

1 Delivery	38.67%
2 GRT	0.86%
3 Monthly Rate (GAC) Adjustment	53.89%
4 Gas Cost Factor	0.00%
5 Systems Benefits Charge	2.21%
6 Merchant Function Charge	3.57%
7 Revenue Decoupling Mechanism (RDM)	-0.61%
8 Temporary NY State Surcharge	1.42%
9 Other	0.00%
	100.00%

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**Table 8.5**  
**Bill Comparison - Excluding Taxes**  
**Winter 2013/2014 to Winter 2014/2015**

Company: **Rochester Gas & Electric Corp.**  
 Creation Date: **June 26, 2014**  
 Revision Date: **October 1, 2014**

Delivery Only bill					
1	2	3	4	5	6
Company	2013 - 2014 Average Residential Heating Customer Winter Bill	2013 - 2014 Average Residential Heating Customer Winter Bill	2014 - 2015 Average Residential Heating Customer Winter Bill	Commodity Related Percent Change from Last Winter	Expected Percent Change from Last Winter
	Actual	Normalized	Actual/Normalized	(column 4 - column 3) / column 3	(column 4 - column 2) / column 2
RG&E	\$300	\$277	\$276	-0.2%	-7.9%

**Assumptions:**

Normal = 952 Therms/year with 745 Therms of calendar month use for the winter

Last Year = 838 Therms of calendar month use for the winter

Current = 745 therms of calendar month use for the winter

**Notes:**

- <sup>1</sup> Identify the impact of any other surcharges or refunds included in bills.
- > System Benefits Charge (SBC) rate as of 1/1/14: \$0.020671/therm; 1/1/15 :\$.018777
  - > Temporary State Assessment Surcharge rate as of 7/1/14: \$0.012520/therm; 7/1/13: \$.01270/therm
  - > Residential Revenue Decoupling Mechanism effective For 11/1/2013= -004247, 11/1/2104 = \$-.005386/therm
  - > State GRT rate on delivery charges as of 7/1/11: 2.0408%

> Includes Delivery rates that are effective 9/26/12

**Table 8.6**  
**Bill Comparison - Excluding Taxes**  
**Winter 2013/2014 to Winter 2014/2015**

Company: **Rochester Gas & Electric Corp.**  
 Creation Date: **June 26,2014**  
 Revision Date: **10/1/2014**

Supply Only bill					
1	2	3	4	5	6
Company	2013 - 2014 Average Residential Heating Customer Winter Bill  Actual	2013 - 2014 Average Residential Heating Customer Winter Bill  Normalized	2014 - 2015 Average Residential Heating Customer Winter Bill  Actual/Normalized	Commodity Related Percent Change from Last Winter  (column 4 - column 3) / column 3	Expected Percent Change from Last Winter  (column 4 - column 2) / column 2
RG&E	\$459	\$407	\$380	-6.7%	-17.2%

**Assumptions:**

Normal = 952 Therms/year with 745 Therms of calendar month use for the winter  
 Last Year = 838 Therms of calendar month use for the winter  
 Current = 745 therms of calendar month use for the winter

**Notes:**

- <sup>1</sup> Identify the impact of any GAC reconciliation surcharge or refund mechanism.  
 > Annual reconciliation for the 12 months ending 8/31/2013 = - \$.002285/therm
- <sup>2</sup> Identify the impact of any other surcharges or refunds included in bills.

> Commodity Only

\*\*\* estimate actual filed 10/15/2014