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Honorable Jeffrey Cohen, Acting Secretary
NYS Public Service Commission
3 Empire State Plaza
Albany, NY 12223

RE: Case 12-G-0297 Proceeding on the Motion of the Commission to Examine
Policies Regarding the Expansion of Natural Gas Service

Dear Acting Secretary Cohen,

By Order entered November 30, 2012, in the above-captioned matter, the State of New York Public Service Commission (“Commission”) sought comment on its Motion to Examine Policies Regarding the Expansion of Natural Gas Service. Hess Corporation (“Hess”) is a licensed ESCO (“Energy Services Company”) in New York State and provides natural gas service to Commercial and Industrial Customers.¹ Hess thanks the Commission for this opportunity to submit input on the issue and respectfully requests the Commission to consider its comments below as they further the Commission’s efforts for natural gas expansion in New York.

As the Commission outlined in its November 30, 2012 Order Instituting Proceeding and Establishing Further Procedures, natural gas expansion offers many potential benefits to New York homes and businesses currently using an alternative fossil fuel. In addition to being cleaner than other common fossil fuels, natural gas costs roughly about one third as much as these fuels under current market conditions. Given that New York State is well-positioned to take advantage of new sources of domestic supply, expansion of natural gas service would be beneficial in attracting and retaining businesses throughout the state and bringing energy savings to New York customers. Hess believes that ESCOs can play an important role in providing new natural gas service, and feels that its suggestions would help to increase ESCO participation in the State’s expansion efforts.

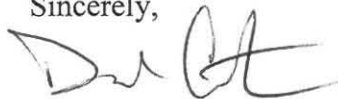
¹ Hess Small Business Services, LLC, a wholly-owned subsidiary of Hess Corporation, is also a separately-licensed ESCO in New York focusing on small commercial and industrial customers.

Additionally, Hess, through its Energy Solutions business, has been active throughout the region in converting customers from fuel oil to natural gas service. More specifically, Hess Energy Solutions assists customers with behind-the-meter fuel conversion services (*e.g.*, converting customer's heating systems from oil to natural gas). At the January 9, 2013 technical conference, some utilities referenced efforts already underway to identify customers who are potential conversion targets, many of whom are within the 100-foot pipe-entitlement zone. In order to further natural gas expansion efforts in the State, Hess respectfully requests that the Commission order utilities to release all available lists of potential and newly-converted customers to ESCOs.

By knowing which customers are strong candidates for conversion, ESCOs can offer customers various product offerings for behind-the-meter conversion services. Converting from alternative fuels to natural gas can be costly, but natural gas services companies, like Hess Energy Solutions, have developed innovative products to assist customers convert their homes and business cost-effectively. Additionally, by providing the conversion lists to ESCOs, ESCOs can educate and provide potential and newly-converted customers with information concerning the benefits of taking their natural gas supply from competitive suppliers. Given the immense benefits available to customers, to the extent that there are obstacles to utilities releasing conversion lists to ESCOs, the Commission should examine such policies in this proceeding and carefully consider how to revise protections so that the utilities could provide the lists to ESCOs in a timely manner.

Hess appreciates the opportunity to submit comments regarding these matters and will be available to provide further input regarding the evolution of the State's expansion efforts.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Cetola", written over a horizontal line.

David A. Cetola
Director of Regulatory Affairs