

# STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE

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## PUBLIC SERVICE COMMISSION

AUDREY ZIBELMAN

*Chair*

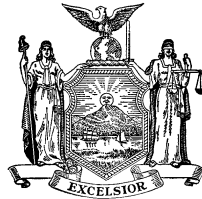
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*Commissioners*



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*General Counsel*

KATHLEEN H. BURGESS

*Secretary*

August 13, 2014

To the Utilities Addressed:

Subject: Case 09-M- 0311 - Implementation of Chapter 59 of the Laws of 2009 Establishing a Temporary Annual Assessment Pursuant to Public Service Law §18-a 6).

On April 7, 2009, New York State enacted the New York State Budget for 2009-2010, which, in part, requires the Department of Public Service to collect a Temporary State Energy and Utility Service Conservation Assessment (Temporary State Assessment, or TSA) (Public Service Law (PSL) §18-a(6)), effective April 1, 2009. The TSA is applicable to electric, gas, steam and water corporations, and municipal electric and gas corporations subject to Commission jurisdiction. In the June 2009 Order in Case 09-M-0311, the Commission authorized recovery of the revenues required for the payment of the Temporary State Assessment, including carrying charges, subject to reconciliation over five years, July 1, 2009 through June 30, 2014. The Commission subsequently issued an Order Implementing Revised Temporary State Assessment in the same case, on June 18, 2014. The latest order implements subsequent changes to PSL §18-a (6), with the Commission authorizing recovery of the necessary revenues required for the payment of the TSA, including carrying charges. Over the five years of the TSA existence, some companies have over-collected, while others have under-collected. The latest order has prescribed methodologies for each under- or over-collection situation. Each methodology is designed to eliminate any deferral balance by June 30, 2015, while passing through the reductions in the assessment provided by the 2014 amendments to PSL §18-a (6) and to ensure that future balances are only related to minor sales forecast variation. The latest order also authorizes the continuation of a separately stated surcharge to recover the TSA. The Commission authorized jurisdictional municipal corporations to incorporate the charges in their adjustment clauses or delivery rate adjustments.

Staff from the Office of Accounting, Audits and Finance and Office of Electric, Gas and Water have been tasked with reviewing the annual 18(a) filings that have been made relative to the Temporary State Assessment. The review will include an examination of the TSA

deferral balance at June 30, 2014 and associated recovery in each company's latest tariff filing for the period July 1, 2014 through June 2015. In order to complete this review, Staff will require information from each utility. To the extent not provided pursuant to Staff's previous request for information (August 22, 2013), or if the information previously provided has changed, provide the following information from the April 1, 2009 through June 30, 2014 time period to the Secretary of the Commission, Secretary@dps.ny.gov, by August 29, 2014:

- 1) In Excel (formulas enabled), provide a schedule, by month, showing the amounts charged to customers, the amounts recovered from customers and the associated deferrals related to the PSL 18-a, from its inception in 2009 through June 30, 2014. Additionally, please ensure that the amounts recovered from customers agree to the DPS Assessments billed to the Companies. To the extent that differences exist, please provide an explanation for all reconciling items.
- 2) Provide detail showing the reconciliation of both General Assessment and Temporary State Assessment as required by the Order.
- 3) Provide the company's accounting procedures pertaining to the collection, payment and deferrals of the 18-a assessment. Provide a description of the procedures and associated accounts used to book the entries.
- 4) Provide any internal audit reports the company has performed related to the 18-a assessment.
- 5) Provide a Yearly Summary for each assessment year (July-June), by Gas, Electric, Steam, etc. for the periods 2009 through June 30, 2014 showing:
  - a) The TSA payments to New York State.
  - b) The TSA collections received from customers.
  - c) The deferred amount of the under or over collection of the assessment.
  - d) The cumulative under/over deferral balance.
  - e) The General Assessment payments to New York State.
  - f) The amount of the General Assessment collected in base rates. (Provide rate order or source of base rate amount)
- 6) Provide the calculation of Uncollectible amounts associated with TSA collections. Provide supporting basis for the rate used. (i.e., the rate order or other source).
- 7) Provide the calculation of carrying costs associated with the deferred balance. Provide supporting basis for the carrying charge rate used (i.e., the rate order or other source). Provide support showing the calculation the deferred taxes associated with the deferral balance.
- 8) Provide supporting documentation for the calculation of estimated Energy Service Company (ESCO) revenue, if applicable.

- 9) Provide the rates used to collect the TSA for the most recent assessment period (July 1, 2014 through June 30, 2015). This rate should include the collection of past under/over collection balance in the new tariff rate. Provide the methodology the company will employ to collect the under or over collection per the latest order in Case 09-M-0311, issued June 18, 2014, pages 10 – 15. The supporting workpapers should provide the detail necessary to show how the past over/under deferral balance will be paid back/recovered by June 30, 2015.
- 10) Provide the company contact person responsible for providing the above information: Employee name, position title, e-mail address and phone number.

If you have any questions, or would like further assistance, please contact Robert Haslinger at (585) 771-4397 or [Robert.Haslinger@dps.ny.gov](mailto:Robert.Haslinger@dps.ny.gov).

Sincerely,

/s/

Doris D. Stout,  
Director, Office of Accounting,  
Audits & Finance