COUCH WHITE, LLP
COUNSELORS AND ATTORNEYS AT LAW

Couch White, LLP
540 Broadway
P.O. Box 22222
Albany, New York 12201-2222
(518) 426-4600

Michael B. Mager
Partner

Direct Dial: (518) 320-3409
Telecopier: (518) 320-3498
E-Mail: mmager@couchwhite.com

June 2, 2014

VIA ELECTRONIC FILING

Hon. Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Re: Case 10-M-0457 – In the Matter of the System Benefits Charge IV

Case 07-M-0548 – Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard

Case 03-E-0188 – Proceeding on Motion of the Commission Regarding a Retail Renewable Portfolio Standard

Dear Secretary Burgess:

Attached for filing in the above-referenced proceedings is the Petition of Multiple Intervenors for Expeditious Relief From Existing Surcharges. Copies of the attached Petition are being served herewith to the active parties in these proceedings.

Respectfully submitted,

COUCH WHITE, LLP

Michael B. Mager

Michael B. Mager

MBM/cgw
Attachment
cc: Active Parties (via E-Mail; w/attachment)
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STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of the System Benefits Charge IV	**Case 10-M-0457**
Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard	**Case 07-M-0548**
Proceeding on Motion of the Commission Regarding a Retail Renewable Portfolio Standard	**Case 03-E-0188**

PETITION OF MULTIPLE INTERVENORS FOR EXPEDITIOUS RELIEF FROM EXISTING SURCHARGES

A. Introduction

Multiple Intervenors, an unincorporated association of over 55 large industrial, commercial and institutional energy consumers with manufacturing and other facilities located throughout New York State, hereby petitions the New York State Public Service Commission ("Commission") for expeditious relief with respect to the magnitude of, and the recovery methodology utilized for, the System Benefits Charge ("SBC"), the electric Energy Efficiency Portfolio Standard ("EEPS") surcharge, and the Renewable Portfolio Standard ("RPS") surcharge (collectively, the "Existing Surcharges").

As demonstrated herein, the Existing Surcharges have increased markedly over the last several years and now are at truly excessive levels. Moreover, the Commission's current practice of recovering the Existing Surcharges on a per kWh basis places a disproportionate and inequitable burden on large, high-load-factor customers. Consequently, for such customers, the cumulative impact of the Existing Surcharges now often exceeds the cost of "traditional" delivery

service and constitutes a substantial impediment to the efforts of energy-intensive businesses to conduct operations in New York State.

Multiple Intervenors is aware that the Commission intends to examine, and possibly reduce, the level of the Existing Surcharges as part of Case 14-M-0094, the Clean Energy Fund proceeding.[1] Pursuant to the schedule contemplated for implementing a Clean Energy Fund that would consolidate the Existing Surcharges, however, reductions in customer collections, if any, would not become effective until January 1, 2016, at the earliest.[2] Unfortunately, large, high-load-factor customers need relief from the Existing Surcharges much more expeditiously.

B. The Existing Surcharges Have Risen Excessively Since February 2012

Over the last several years, the Existing Surcharges have risen excessively. For instance, for the four Upstate electric utilities – Central Hudson Gas & Electric Corporation ("Central Hudson"), New York State Electric & Gas Corporation ("NYSEG"), Niagara Mohawk Power Corporation d/b/a National Grid ("Niagara Mohawk"), and Rochester Gas and Electric Corporation ("RG&E") – **the Existing Surcharges have increased on a per kWh basis by 55% to 62% since February 1, 2012**. Those increases are depicted in the table below:

[1] *See generally* Case 14-M-0094, *Proceeding on Motion of the Commission to Consider a Clean Energy Fund*, Order Commencing Proceeding (issued May 8, 2014).

[2] *See id.* at 8 (directing the New York State Energy Research and Development Authority ["NYSERDA"] to develop a Clean Energy Fund proposal that would "recommend annual ratepayer collection levels for each year of the 2016-2020 program cycle and beyond").

Utility	Existing Surcharges On 2/1/12	Existing Surcharges On 6/1/14	Increase In Existing Surcharges
Central Hudson	$0.005160 per kWh[3]	$0.008010 per kWh[4]	**55.23%**
NYSEG	$0.003750 per kWh[5]	$0.005891 per kWh[6]	**57.09%**
Niagara Mohawk	$0.004871 per kWh[7]	$0.007911 per kWh[8]	**62.41%**
RG&E	$0.004235 per kWh[9]	$0.006670 per kWh[10]	**57.50%**

[3] *See* Central Hudson, PSC No. 15 – Electricity, SBC and RPS Statement, Statement No. 25 (effective January 4, 2012) (depicting an SBC, which includes the EEPS surcharge, of $0.00304 per kWh, and an RPS surcharge of $0.00212 per kWh, totaling $0.00516 per kWh).

[4] *See* Central Hudson, PSC No. 15 – Electricity, SBC and RPS Statement, Statement No. 31 (effective June 1, 2014) (depicting an SBC, which includes the EEPS surcharge, of $0.00498 per kWh, and an RPS surcharge of $0.00303 per kWh, totaling $0.00801 per kWh).

[5] *See* NYSEG, PSC No. 120 – Electricity, SBC Statement, Statement No. 08 (effective January 1, 2012) and RPS Statement, Statement No. 05 (effective October 1, 2011) (depicting an SBC of $0.001028 per kWh, an EEPS surcharge of $0.001075 per kWh, and an RPS surcharge of $0.001647 per kWh, totaling $0.00375 per kWh).

[6] *See* NYSEG, PSC No. 120 – Electricity, SBC Statement, Statement No. 11 (effective January 1, 2014) and RPS Statement, Statement No. 09 (effective October 1, 2013) (depicting an SBC of $0.000481 per kWh, an EEPS surcharge of $0.003062 per kWh, and an RPS surcharge of $0.002348 per kWh, totaling $0.005891 per kWh).

[7] *See* Niagara Mohawk, PSC No. 220 – Electricity, SBC Statement, Statement No. 7 (effective January 1, 2012) and RPS Statement, Statement No. 5 (effective October 1, 2011) (depicting an SBC of $0.000632 per kWh, an EEPS surcharge of $0.002111 per kWh, and an RPS surcharge of $0.002128 per kWh, totaling $0.004871 per kWh).

[8] *See* Niagara Mohawk, PSC No. 220 – Electricity, SBC Statement, Statement No. 10 (effective January 1, 2014) and RPS Statement, Statement No. 7 (effective October 1, 2013) (depicting an SBC of $0.000653 per kWh, an EEPS surcharge of $0.004268 per kWh, and an RPS surcharge of $0.00299 per kWh, totaling $0.007911 per kWh).

[9] *See* RG&E, PSC No. 19 – Electricity, SBC Statement, Statement No. 15 (effective January 1, 2012) and RPS Statement, Statement No. 8 (effective October 1, 2011) (depicting an SBC of $0.000994 per kWh, an EEPS surcharge of $0.001324 per kWh, and an RPS surcharge of $0.001917 per kWh, totaling $0.004235 per kWh).

[10] *See* RG&E, PSC No. 19 – Electricity, SBC Statement, Statement No. 18 (effective January 1, 2014) and RPS Statement, Statement No. 12 (effective October 1, 2013) (depicting an SBC of $0.00049 per kWh, an EEPS surcharge of $0.003347 per kWh, and an RPS surcharge of $0.002833 per kWh, totaling $0.006670 per kWh).

C. For Many Large, High-Load-Factor Customers, the Existing Surcharges Now Exceed the Cost of "Traditional" Delivery Service

As detailed above, the Existing Surcharges have risen excessively over the past 28 months. Moreover, the Commission's current practice of recovering the Existing Surcharges on a per kWh basis places a disproportionate and inequitable burden on large, high-load-factor customers. In fact, for many large, high-load-factor customers, the Existing Surcharges cost more than "traditional" delivery service!

To illustrate this concern while protecting the confidentiality of individual customer data, Multiple Intervenors hereby presents three examples of the impact of the Existing Surcharges on hypothetical large, high-load-factor customers with usage characteristics similar to Multiple Intervenors members.

Hypothetical Customer No. 1 is a Service Classification No. ("S.C.") 3-A customer of Niagara Mohawk that takes service at transmission voltage. The customer has a 30 MW (*i.e.*, 30,000 kW) demand and an 85% load factor. The annual cost of traditional delivery service for Hypothetical Customer No. 1 is **$1,042,800**.[11] In contrast, the aggregated annual cost of the Existing Surcharges for the same customer is **$1,767,159.18**.[12] Thus, the Existing

[11] For an S.C. 3-A transmission voltage customer, the traditional delivery service charges are a Customer Charge of $3,500 per month and a Demand Charge of $2.78 per kW. *See* Niagara Mohawk, PSC No. 220 (Electricity), Leaf No. 391. Thus, the annual costs associated with the Customer Charge and the Demand Charge are $42,000 (*i.e.*, $3,500 x 12 months) and $1,000,800 (*i.e.*, $2.78 x 30,000 kW x 12 months), respectively, for a total cost of $1,042,800.

[12] As detailed in Section A, *supra*, as of June 1, 2014, the cost of Niagara Mohawk's Existing Surcharges is $0.007911 per kWh. A 30 MW customer with an 85% load factor consumes 223,380,000 kWh annually (*i.e.*, 30,000 kW x 8,760 hours per year x 0.85 load factor). Applying surcharges of $0.007911 per kWh to such consumption results in an annual cost of $1,767,159.18.

Surcharges increase the cost of delivery service for Hypothetical Customer No. 1 from $1,042,800 to **$2,809,959.18** (excluding other surcharges and taxes).

Hypothetical Customer No. 2 is an S.C. 7-3 customer of NYSEG that takes service at sub-transmission voltage under the Industrial/High-Load-Factor rate. The customer has a 20 MW (*i.e.*, 20,000 kW) demand and a 75% load factor. The annual cost of traditional delivery service for Hypothetical Customer No. 2 is **$382,189.32**.[13] In contrast, the aggregated annual cost of the Existing Surcharges on the same customer is **$774,077.40**.[14] Thus, the Existing Surcharges increase the cost of delivery service for Hypothetical Customer No. 2 from $382,189.32 to **$1,156,266.72** (excluding other surcharges and taxes).

Hypothetical Customer No. 3 is an S.C. 13 customer of Central Hudson that takes service at transmission voltage. The customer has a 50 MW (*i.e.*, 50,000 kW) demand and a 92% load factor. The annual cost of traditional delivery service for Hypothetical Customer No. 3 is **$2,199,720**.[15] In contrast, the aggregated annual cost of the Existing Surcharges on the same

[13] For an S.C. 7-3 sub-transmission voltage customer under Industrial/High-Load-Factor rates, the traditional delivery service charges are a Customer Charge of $849.11 per month and a Demand Charge of $1.55 per kW. *See* NYSEG, PSC No. 120 – Electricity, Leaf No. 249. Thus, the annual costs associated with the Customer Charge and the Demand Charge are $10,189.32 (*i.e.*, $849.11 x 12 months) and $372,000 (*i.e.*, $1.55 x 20,000 kW x 12 months), respectively, for a total cost of $382,189.32.

[14] As detailed in Section A, *supra*, as of June 1, 2014, the cost of NYSEG's Existing Surcharges is $0.005891 per kWh. A 20 MW customer with a 75% load factor consumes 131,400,000 kWh annually (*i.e.*, 20,000 kW x 8,760 hours per year x 0.75 load factor). Applying surcharges of $0.005891 per kWh to such consumption results in an annual cost of $774,077.40.

[15] For an S.C. 13 transmission voltage customer, the traditional delivery service charges are a Customer Charge of $3,810 per month and a Demand Charge of $3.59 per kW. *See* Central Hudson, PSC No. 15 – Electricity, Leaf No. 246.1. Thus, the annual costs associated with the Customer Charge and the Demand Charge are $45,720 (*i.e.*, $3,810 x 12 months) and $2,154,000 (*i.e.*, $3.59 x 50,000 kW x 12 months), respectively, for a total cost of $2,199,720.

customer is **$3,227,709.60**.[16] Thus, the Existing Surcharges increase the cost of delivery service for Hypothetical Customer No. 3 from $2,199,720 to **$5,427,429.60** (excluding other surcharges and taxes).

The table below illustrates how much the annual cost burden of the Existing Surcharges has grown over the last 28 months (*i.e.*, since February 1, 2012) for these three hypothetical large, high-load-factor customers:

Hypothetical Customer	Existing Surcharges On 2/1/12	Annual Cost of 2/1/12 Existing Surcharges	Existing Surcharges On 6/1/14	Annual Cost of 6/1/14 Existing Surcharges	28-Month Cost Increase
Customer No. 1	$0.004871 per kWh	$1,088,083.98	$0.007911 per kWh	$1,767,159.18	**$679,075.20 (62.41%)**
Customer No. 2	$0.003750 per kWh	$492,750.00	0.005891 per kWh	$774,077.40	**$281,327.40 (57.09%)**
Customer No. 3	$0.005160 per kWh	$2,079,273.60	$0.00801 per kWh	$3,227,709.60	**$1,148,436.00 (55.23%)**

D. The Existing Surcharges Have a Disproportionate Impact on Large, High-Load Factor Customers

The burden of the Existing Surcharges on large, high-load-factor customers is much worse than the burden on other customer types. For instance, the following table sets forth the monthly cost for traditional delivery service and the Existing Surcharges for: (i) a "typical" residential customer consuming 600 kWh per month, (ii) a "typical" small commercial customer consuming 15,000 kWh per month; and (c) an illustrative large, high-load-factor customer with a 10 MW demand and 90% load factor, assuming that all three customers receive electric delivery service from Niagara Mohawk:

[16] As detailed in Section A, *supra*, as of June 1, 2014, the cost of Central Hudson's Existing Surcharges is $0.00801 per kWh. A 50 MW customer with a 92% load factor consumes 402,960,000 kWh annually (*i.e.*, 50,000 kW x 8,760 hours per year x 0.92 load factor). Applying surcharges of $0.00801 per kWh to such consumption results in an annual cost of $3,227,709.60.

Customer	Monthly Cost Of Traditional Delivery Service	Monthly Cost Of Existing Surcharges	Existing Surcharges As A Percentage Of Cost Of Traditional Delivery Service
"Typical" Residential Customer	$44.67[17]	$4.75[18]	**10.63%**
"Typical" Small Commercial Customer	$845.42[19]	$118.67[20]	**14.04%**
Large, High-Load Factor Customer	$31,300[21]	$51,975.27[22]	**166.06%**

[17] For an S.C. 1 residential customer, the traditional delivery service charges are a Customer Charge of $17.00 per month and a Usage Charge of $0.04611 per kWh. *See* Niagara Mohawk, PSC No. 220 (Electricity), Leaf No. 349. Thus, the monthly cost of traditional delivery service for such customer is the $17.00 Customer Charge plus $27.67 in Usage Charges (*i.e.*, 600 kWh x $0.04611 per kWh), totaling $44.67.

[18] As detailed in Section A, *supra*, the aggregated total of the Existing Surcharges for Niagara Mohawk customers is $0.007911 per kWh. Applying that amount to 600 kWh results in a monthly cost associated with the Existing Surcharges of $4.75.

[19] For an S.C. 2 small commercial, non-metered-demand customer, the traditional delivery service charges are a Customer Charge of $21.02 per month and a Usage Charge of $0.05496 per kWh. *See* Niagara Mohawk, PSC No. 220 (Electricity), Leaf No. 349. Thus, the monthly cost of traditional delivery service for such customer is the $21.02 Customer Charge plus $824.40 in Usage Charges (*i.e.*, 15,000 kWh x $0.05496 per kWh), totaling $845.42.

[20] As detailed in Section A, *supra*, the aggregated total of the Existing Surcharges for Niagara Mohawk customers is $0.007911 per kWh. Applying that amount to 15,000 kWh results in a monthly cost associated with the Existing Surcharges of $118.67.

[21] For an S.C. 3-A transmission voltage customer, the traditional delivery service charges are a Customer Charge of $3,500 per month and a Demand Charge of $2.78 per kW. *See* Niagara Mohawk, PSC No. 220 (Electricity), Leaf No. 391. Thus, the monthly cost of traditional delivery service for such customer is the $3,500 Customer Charge plus $27,800 in Demand Charges (*i.e.*, $2.78 x 10,000 kW), totaling $31,300.

[22] As detailed in Section A, *supra*, the aggregated total of the Existing Surcharges for Niagara Mohawk customers is $0.007911 per kWh. Applying that amount to 6,570,000 kWh (*i.e.*, [10,000 kW x 8,760 hours per year x 0.9 load factor] / 12 months) results in a monthly cost associated with the Existing Surcharges of $51,975.27.

Thus, whereas the monthly burden of the Existing Surcharges on a "typical" residential customer and a "typical" small commercial customer is roughly 10-14% of the cost of traditional delivery service, the burden for the illustrative large, high-load-factor customer exceeds the cost of traditional delivery service by a substantial amount. Such extremely-disparate impacts on large, high-load factors are blatantly inequitable, and warrant immediate attention and remediation by the Commission. The burden of the Existing Surcharges on large, high-load-factor customers – who tend to be among the State's largest employers – simply is not sustainable.[23]

E. Recovering the Costs of the SBC, the EEPS and the RPS on a Per kWh Basis Is Inequitable to Large, High-Load-Factor Customers

As detailed above, the current practice of recovering the Existing Surcharges on a per kWh basis produces exorbitant and grossly-disparate impacts on large, high-load-factor customers. Such impacts also are inequitable, and contribute significantly to the mounting challenges that energy-intensive businesses confront while struggling to maintain and grow operations in New York.

Recovering the Existing Surcharges solely on a per kWh basis also is not consistent with basic cost causation principles. For instance, the SBC now is focused on technology and market development ("T&MD") activities.[24] Thus, the costs associated with the SBC are not

[23] It also is worth noting that the disparate impacts of the Existing Surcharges depicted above are on top of Statewide electric commodity prices that historically have been well above the national average, and were especially high this past winter, creating significant budgetary concerns for all types of customers, including large, high-load-factor customers.

[24] *See generally* Case 10-M-0457, *supra*, Order Continuing Systems Benefit Charge Funded Programs (issued December 30, 2010) (hereinafter, "December 30, 2010 Order").

incurred on a per kWh basis, nor are the benefits produced by the SBC realized typically by customers on a per kWh basis.

Similarly, a major focus of the electric EEPS is on reducing demand, particularly peak demand. For instance, when the Commission instituted the EEPS, it expressed the intention to "consider a range of resources which will, collectively, reduce electricity *demand* by customers."[25] In fact, the Commission emphasized that demand reductions are an essential objective of the EEPS portfolio, stating that:

> In addition to the near-term efficiency targets adopted in this Order, *we emphasize the importance of demand reduction as a critical objective of this proceeding. Reducing peak demand will moderate commodity prices, improve system reliability, and potentially reduce – or at least defer – the need for construction of generation, transmission and distribution facilities.* We will require that impact on demand, particularly in constrained areas, be an important criterion in selecting efficiency programs.[26]

The Commission also noted that achieving demand reductions could be as important as reducing usage in certain service territories "because energy demand drives costly infrastructure investments."[27] It is wholly inconsistent with cost causation principles to recover costs related to efficiency programs targeting demand reductions through a per kWh surcharge.

Finally, although much of the RPS costs are incurred on a per kWh basis due to the chosen structure of Main Tier contracts, the primary, stated purposes of the initiative – such as improving fuel diversity, reducing environmental emissions, fostering economic development

[25] Case 07-M-0548, *supra*, Order Instituting Proceeding (issued May 16, 2007) at 12 (emphasis added).

[26] *Id.* at 9 (emphasis added).

[27] *Id.* at 10.

opportunities, combatting supply volatility, and improved system reliability[28] – generally are not experienced by customers on a purely volumetric basis.

For the foregoing reasons, the per kWh recovery methodology is inequitable and results in exorbitant and disproportionate impacts on large, high-load-factor customers.[29]

F. Large, High-Load-Factor Customers Need Expeditious Relief From the Existing Surcharges

For the reasons set forth above, it is urgent that the Commission provide large, high-load-factor customers with expeditious relief from the Existing Surcharges. Such relief could be implemented in many forms. First, the Commission easily could implement a material reduction in the level of the Existing Surcharges without impacting program activities. According to the Fiscal Year 2014-15 Budget and Financial Plan of the New York State Energy Research and Development Authority ("NYSERDA"), it appears that as of March 31, 2015, NYSERDA expects to be retaining **$124.121 million in unexpended T&MD funds, $123.521 million in unexpended EEPS funds, and $447.199 million in unexpended RPS funds**.[30] Thus, NYSERDA apparently is projecting, at the end of its 2014-15 fiscal year, to be in possession of a combined SBC/EEPS/RPS surplus of **$694.84 million**, up from a surplus of **$518.195 million** projected for

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[28] *See generally* Case 03-E-0188, *supra*, Order Instituting Proceeding (issued February 19, 2003) at 1-2.

[29] Ironically, large, high-load-factor customers tend to be the most efficient consumers of energy in New York. Thus, such customers – who typically consume a much-greater percentage of electricity during off-peak hours compared to other types of customers – contribute to and improve system efficiency, yet are being penalized disproportionately and inequitably by the recovery methodology utilized for the Existing Surcharges.

[30] NYSERDA's Fiscal Year 2014-15 Budget and Financial Plan (encompassing the fiscal year ending March 31, 2015) is *available at* http://www.nyserda.ny.gov/Publications/NYSERDA-Annual-Reports-and-Financial-Statements.aspx. The unexpended funds referenced above are shown on page 8 of that report, on the bottom row entitled, "Net position end of year."

those programs at the start of the 2014-15 fiscal year.[31] This extraordinarily large surplus begs the question – why not implement an immediate and substantial reduction in the Existing Surcharges designed to provide much-needed relief for large, high-load-factor customers?[32] It is unconscionable for such customers to be saddled with the burdens associated with the Existing Surcharges, as illustrated above, when NYSERDA is projecting a cash balance for those programs of almost $700 million as of March 31, 2015.[33]

Second, the Commission could modify the current recovery methodology, such that the costs of the SBC, the EEPS and the RPS no longer are recovered solely on a per kWh basis. Applying cost allocation practices utilized routinely in utility rate cases, some portion of the revenue responsibility for the Existing Surcharges clearly should be allocated to the various service

[31] The SBC/EEPS/RPS balances existing at the start of 2014-15 fiscal year (shown on the same page, on the row near the bottom of the page entitled, "Net position, beginning of year") were $111.504 million for T&MD, $75.537 million for EEPS, and $331.154 million for RPS, totaling $518.195 million.

[32] In the past, the Commission has implemented modest reductions in the Existing Surcharges for economic reasons and/or where customer collections exceeded expenditures. *See, e.g.*, Case 10-M-0457, *supra*, December 30, 2010 Order at 15-17 (temporarily delaying SBC collections during an economic downturn), Case 07-E-0548, *supra*, Order Authorizing Efficiency Programs, Revising Incentive Mechanism, and Establishing a Surcharge Schedule (issued October 25, 2011) at 23 (utilizing "NYSERDA's cash balance" to mitigate scheduled surcharge increases).

[33] The nearly $700 million cash balance projected by NYSERDA as a result of the Existing Surcharges does not even include: (a) collections allocated to the State's electric utilities for the administration of their EEPS programs; or (b) $165.6 million in uncommitted SBC/EEPS/RPS collections that were utilized to capitalize the New York Green Bank. *See generally* Case 13-M-0412, *Petition of New York State Energy Research and Development Authority to Provide Initial Capitalization for the New York Green Bank* (issued December 19, 2013).

classes on the basis of class coincident peak demand. Some costs arguably also should be allocated on a per customer basis.[34]

A third approach would be to implement a "cap" or "ceiling" on the amount of Existing Surcharges that a single customer could be assessed in a given month or year. For instance, the Commission could determine that a customer paying Existing Surcharges of $100,000 annually, or some alternate amount, has satisfied its obligation to support the SBC, EEPS and RPS initiatives. Alternatively, the Commission could cap the monthly assessment of the Existing Surcharges at some percentage of the costs of traditional delivery service. For instance, the Commission could determine that Existing Surcharges never should exceed 25% of the cost of traditional delivery service for any type of customer. While surcharges approximating 25% of the cost of delivery service still would be substantial, compared to the *status quo* such an approach would provide material, and much-needed, rate relief for large, high-load-factor customers.

Importantly, these alternative approaches are not mutually-exclusive. The Commission, for example, could utilize some of the existing surpluses to reduce the Existing Surcharges for all customers, and then also (i) modify the current per kWh recovery methodology and/or (ii) implement a cap on the amount of Existing Surcharges that can be assessed to individual customers.

G. Conclusion

As demonstrated herein: (a) the level of the Existing Surcharges has risen excessively since February 1, 2012; (b) for many large, high-load-factor customers, the cumulative impact of the Existing Surcharges is exorbitant and now exceeds the cost of traditional delivery

[34] More rigid adherence to cost allocation principles also could help ensure that large non-residential customers are not funding EEPS and other programs targeted primarily at other customer types.

service, often by a significant amount; (c) the impact of the Existing Surcharges on large, high-load-factor customers is grossly-disproportionate compared to other customer types; (d) the Commission's current, sole reliance on a per kWh methodology for recovering the Existing Surcharges is inequitable to large, high-load-factor customers and not consistent with basic cost causation principles; and (e) according to its own Fiscal Year 2014-15 Budget and Financial Plan, NYSERDA projects to be in possession of almost $700 million in unspent T&MD, EEPS and RPS funds collected from customers as of March 31, 2015. Based on the foregoing, large, high-load-factor customers urgently require substantial relief from the Existing Surcharges, and Multiple Intervenors strongly urges the Commission to provide such relief as expeditiously as possible.

Dated: June 2, 2014
Albany, New York

Respectfully submitted,

Michael B. Mager

Michael B. Mager, Esq.
Couch White, LLP
Attorneys for Multiple Intervenors
540 Broadway, P.O. Box 22222
Albany, New York 12201-2222
(518) 426-4600
mmager@couchwhite.com

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