BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

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Proceeding on Motion of the Commission in Regard to Gas Planning Procedures. — Case No. 20-G-0131
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COMMENTS OF NEW YORK STATE ELECTRIC & GAS CORPORATION AND ROCHESTER GAS AND ELECTRIC CORPORATION ON THE DRAFT REVISIONS TO 16 NYCRR PART 230

In accordance with the New York State Public Service Commission's ("Commission") Notice Soliciting Comments, issued May 19, 2026, in the above referenced proceeding ("Notice"), New York State Electric & Gas Corporation ("NYSEG") and Rochester Gas and Electric Corporation ("RG&E") (together the "Companies") hereby submit comments in response to the Notice concerning draft revisions to 16 NYCRR Part 230 et seq. ("Part 230").

I. Background

On July 16, 2024, DPS Staff filed its Staff Straw Proposal Regarding Modification of 16 NYCRR Part 230 ("Straw Proposal"). On September 19, 2024, the Companies submitted comments on the Straw Proposal including the proposed modifications and questions posed by Staff in accordance with the Notice Soliciting Comments issued July 16, 2024, concerning how customers are charged for costs associated with main extensions, the potential adverse effects related to affordability for low-income customers, and equity concerns.[1] On May 19, 2026, DPS

[1] Case 20-G-0131 – Proceeding on Motion of the Commission in Regard to Gas Planning Procedures, Comments of New York State Electric & Gas Corporation and Rochester Gas & Electric Corporation on the Staff Straw Proposal Regarding Modification of 16 NYCRR Part 230 filed September 19, 2024.

Staff submitted the "Draft Revisions to Part 230 (100-Foot Rule) ("Draft Revisions"). Stakeholders are to provide comments regarding the Draft Revisions and include specific alternative revisions if alternative language is preferable.[2]

II. The Companies' Comments on the Draft Revisions to Part 230 (100-Foot Rule)

The Companies do not oppose the proposed revisions to 16 NYCRR § 230.1(d) and the addition of § 230.1(e). The added definitions of *appurtenant facilities* and *utility* are generally clear. However, the Companies note that the Draft Revisions later contemplate a requirement to develop and maintain a list identifying what constitutes *appurtenant facilities* in Part § 230.2 (f) as part of its tariffs. The Companies recommend that any such list be developed with appropriate flexibility and not be overly prescriptive or exhaustive. Given the pace of technological advancement in gas distribution systems - including new materials, monitoring devices, and system components, there should be language that allows for the inclusion of new or emerging equipment and technologies as industry practices evolve, without requiring frequent updates to the list.

Upon review of the proposed revisions to Part § 230.2 and Part 230.3, it appears that the opportunity for utilities to offer surcharge-based cost recovery mechanisms has been significantly limited. Section 230.2 removes prior references to surcharge mechanisms and instead requires applicants to pay the full material and installation costs for facilities, effectively establishing upfront payment as the default construct.

Section 230.3 reintroduces the concept of a surcharge only in limited circumstances—specifically, where the utility petitions the Commission for approval in connection with economic

[2] Draft Revisions at 2.

development or affordable housing projects. Even in those cases, the surcharge is subject to Commission authorization and prescriptive recovery requirements. The Companies are supportive of these proposed changes to the rules for constructing and providing gas service.

Changes to Part 230.2 also include a requirement that the utility provide information on non-fossil fuel alternatives to gas for all applicants for new or expanded gas service. The Companies recommend clarifying the scope of this requirement to ensure that any information provided is high-level and informational in nature and does not create an expectation that the utility can evaluate or endorse non-gas alternatives outside its core expertise and service obligation. The utilities should be permitted to provide such information electronically or through the lowest-cost means available. Such language could read as follows:

“ (g.) Each utility shall provide applicants for new or expanded gas service with general information regarding non-fossil fuel alternatives to gas service. Such information shall be informational in nature and shall not require the utility to evaluate, recommend, or endorse the suitability, feasibility, or cost-effectiveness of any non-fossil fuel alternative for a specific applicant.”

As proposed, changes to Section 230.3 and 230.5 taken in concert are unclear concerning whether the costs to be borne by the applicants are intended to be based on estimated costs at the time of installation or on actual costs subject to a subsequent reconciliation (“true-up”).

As proposed, Section 230.3(a) requires that an applicant “pay the full cost for those facilities before the applicant begins taking gas service,” and Section 230.5(a) similarly provides that an applicant shall bear the “entire reasonable expense” of facilities installed at the applicant’s request. However, the rule language does not specify whether such payments are to be calculated based on estimated costs or final actual costs, nor does it address whether subsequent adjustments are required if actual project costs differ from initial estimates. Additionally, as written, Section 230.3 (a) implies that the Company cannot install a meter and turn on a customer for service unless they have paid all costs associated with taking gas service.

From a practical and administrative perspective, the Companies must rely on cost estimates at the time deposits and payments are collected, given that final construction costs are not known until project completion and closeout. If an applicant must wait until the true-up process has been completed for a meter to be installed and turned on, the customer may be waiting an additional two to three weeks due to the process.

The Companies recommend that the Draft Regulations be clarified to provide that:

1. Applicant payments may be based on reasonable cost estimates at the time service is requested and not subject to true-up; and
2. Utilities may install the meter for turning service on, and if required to true up the costs, the Utility can perform the reconciliation to actual costs subsequent to the meter installation.

These clarifications would address customer service concerns by providing cost certainty and avoiding delays in the timing of gas service initiation.

Lastly, while not included in the Draft Revisions, the Companies respectfully request clarification regarding the implementation of the proposed amendments to Part 230 with respect to applicants whose projects are already in progress at the time the revised rules become effective. Specifically, it is unclear whether such applicants will be subject to the new requirements or permitted to proceed under the rules, cost responsibilities, and estimates in effect at the time their application was submitted and accepted. In the absence of explicit transition provisions, applying the revised rules to projects already designed, estimated, or partially constructed could create operational challenges, customer confusion, and potential inequities. Accordingly, the Companies recommend that the Commission establish clear grandfathering provisions allowing projects that have reached a defined milestone (*e.g.*, application acceptance, execution of construction agreements, or payment of initial deposits) to proceed under the currently effective framework, while applying the revised requirements prospectively to new applicants. This approach would promote administrative consistency, protect reasonable customer reliance on existing rules, and avoid the need for re-estimating or re-negotiating costs mid-project and could be addressed through utility tariffs.

III. **Conclusion**

While the Companies did not comment on all aspects of the Draft Revisions, the Companies will review the comments received from parties on the Draft Revisions and reserve the right to submit reply comments as needed. The Companies appreciate the opportunity to comment on the Draft Revisions to Part 230 and look forward to collaborating with parties to this proceeding in the future.

Respectfully submitted,

Lori A. Cole

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June 26, 2026