

Jeffrey A. Rosenbloom Vice President and General Counsel

June 30, 2025

VIA ELECTRONIC FILING

Hon. Michelle Phillips Secretary to the Commission New York State Public Service Commission Three Empire State Plaza Albany, NY 12223-1350

Re: <u>Case 25-E- - Proceeding on Motion of the Commission as to the Rates, Charges,</u>
Rules and Regulations of New York State Electric & Gas Corporation for Electric Service

<u>Case 25-G-</u> - <u>Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of New York State Electric & Gas Corporation for Gas Service</u>

<u>Case 25-E-</u> - <u>Proceeding on Motion of the Commission as to the Rates, Charges, Rules</u> and Regulations of Rochester Gas and Electric Corporation for Electric Service

<u>Case 25-G-</u> - <u>Proceeding on Motion of the Commission as to the Rates, Charges, Rules</u> and Regulations of Rochester Gas and Electric Corporation for Gas Service

Dear Secretary Phillips:

By this filing, New York State Electric & Gas Corporation ("NYSEG") and Rochester Gas and Electric Corporation ("RG&E" and together with NYSEG, the "Companies") submit these rate filings in accordance with the requirements of the New York State Public Service Commission (the "Commission") to set revised rates for the Companies' electric and gas service. These rate filings support investments to meet growing energy demand across New York, along with plans to upgrade aging infrastructure and systems to improve reliability and customer service for our customers.

It should be noted that these rate filings reflect a single rate year proposal and are accompanied by material to support a five-year rate plan, which would help alleviate customer bill impacts, enable better long-term planning, and offer regulatory stability that supports continued investment in critical infrastructure necessary to support the Companies' mission of providing safe, adequate, and reliable service to their customers at just and reasonable rates.

I. Overview

Collectively, NYSEG and RG&E provide electric and gas service to millions of customers throughout Upstate New York, with their electric and gas networks spread across nearly forty percent (40%) of the state. They are the backbone of the communities they serve. The Commission last approved new rates for the Companies in 2023, establishing a three-year rate plan commencing May 1, 2023, and continuing through April 30, 2026. Over the course of the current rate plan, the Companies have made measurable progress in modernizing their systems, enhancing customer service, and improving operational resilience (e.g., through advanced metering infrastructure, system hardening measures, transmission and interconnection upgrades, ongoing investments to replace leak-prone pipe and modernize gas infrastructure, and expanded customer-focused programs that promote energy affordability, energy efficiency, and demand-side management). While we are proud of our progress, additional investment is needed to build upon these improvements and provide the level of service that our customers have come to expect.

The rates established in the 2023 Rate Order returned rates to a level consistent with the cost of providing service following the extended period of artificially low rates approved in the prior rate case (as necessitated by the impacts of the COVID-19 pandemic). That said, the Companies' current rates do not adequately address the cumulative effects of prior rate cases, which have resulted in a significant shortfall in recovering major storm costs, uncollected customer arrears, and other obligations. Several other factors are placing financial strain on the Companies as well, which left unaddressed could have a cost to customers in the form of higher borrowing costs or worse, limit access to capital.

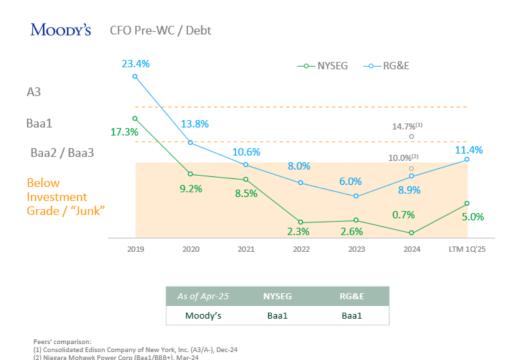
For the electric businesses, specific cost drivers include increased storm and vegetation management expense, increased capital investments to address aging infrastructure and to increase capacity, information technology upgrades, and incremental operations and maintenance expense. Cost drivers also include managing storm events under 72 hours to meet growing customer and community demands and dependency on electricity. For the gas businesses, cost drivers include prevailing wage requirements, federal and state pipeline safety mandates requiring system investments and upgrades, and costs to meet clean energy goals. In addition, other ratemaking elements that served as rate mitigators in the previous rate case, such as expiring regulatory liabilities and the excess depreciation reserve, have been exhausted. All of these factors contribute to near-term revenue shortfalls that are no longer deferrable without jeopardizing service quality, system reliability, or financial stability.

Compounding these financial challenges are outdated performance targets, such as NYSEG's System Average Interruption Frequency Index ("SAIFI") target. The data used to calculate NYSEG's SAIFI target has not been updated in more than two decades and does not reflect current system conditions, including aging infrastructure, increased vegetation-related risks, and severe weather events. Modernizing these metrics is essential to setting realistic expectations and aligning performance standards with today's operational realities.

¹ Cases 22-E-0317 et al. – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of New York State Electric & Gas Corporation for Electric Service, Order Adopting Joint Proposal (Oct. 12, 2023) ("2023 Rate Order").

These pressures, combined with persistent inflation, supply chain constraints, labor market tightness, and increased contractor costs, underscore the urgent need for rate adjustments that more accurately reflect today's cost environment and tomorrow's investment imperatives. The Companies' filings in these rate cases reflect the pressing reality that the gap between required spending and cost recovery has grown materially, placing substantial pressure on NYSEG's and RG&E's financial health. The proposed rate increases are designed to allow the Companies to continue to provide safe, adequate, and reliable electric and gas service at just and reasonable rates by improving their financial integrity and allowing them to make needed investments in infrastructure, operations, and personnel. NYSEG and RG&E remain firmly committed to the safety, reliability, and integrity of their electric and natural gas systems but without the requested rate relief, the financial integrity of NYSEG and RG&E will be jeopardized, which in turn would needlessly impair their ability to fulfill these core obligations.

More specifically, maintaining strong credit metrics (such as cash flow from operations pre working capital divided by debt ("CFO Pre-WC / Debt")) is essential for NYSEG and RG&E to access and secure affordable capital for the over \$19 billion in planned infrastructure investments that support safe, reliable, and modern electric and gas service. Credit metrics serve as a key indicator of financial health and directly impact both the cost and availability of funding. Currently, NYSEG's and RG&E's credit metric ratios fall below investment-grade thresholds, placing them at risk of further rating downgrades. Moody's rates both Companies at the Baa1 level, indicating moderate credit quality and increased vulnerability to financial and regulatory pressures. A downgrade would significantly increase borrowing costs and could limit or restrict access to capital markets, particularly during periods of economic stress. The following graph illustrates NYSEG's and RG&E's current CFO Pre-WC / Debt, a key credit metric:



Recent commentary from Moody's and Fitch underscores the urgency of improving current financial metrics to sustain current rate levels:

- Moody's has indicated that without meaningful improvement in NYSEG's financial performance in the coming months, a negative ratings outlook may be issued.
- Fitch has taken a more cautious stance, emphasizing the need for a clearer regulatory path to reduce leverage from current levels.

The 2023 Rate Order provided essential revenue improvements and, under perfect conditions (e.g., no incremental storm costs), was expected to improve the Companies' cash flow to debt ratios to above downgrade thresholds. Unfortunately, those perfect conditions did not materialize. As shown above, the Companies' ratios have not risen to above downgrade thresholds. While the Companies saw some improvement in 2025 due to the Commission-approved securitization of storm costs in Case 24-E-0493, their credit metrics remain vulnerable. Contributing factors include unrecovered storm costs, rising customer arrearages, prolonged cost recovery mechanisms, increased investments (macro and inflationary), and amortization of regulatory assets/liabilities. If credit metrics deteriorate, investors may demand higher returns or impose stricter terms, raising financing costs that are ultimately borne by customers. Even a modest downgrade could increase financing costs by approximately \$0.62 million annually for every \$100 million of new debt. More severe downgrades into sub-investment grade territory would drive costs even higher or limit access to capital altogether. Weaker credit standing can also strain vendor relationships, increase operational costs, and delay critical system upgrades, maintenance, and clean energy initiatives.

The investments proposed in these rate filings are designed to reverse this trajectory. With timely and adequate cost recovery, the Companies can improve their credit metrics, avoid further downgrades, and restore financial flexibility, ensuring continued service reliability, affordability, and alignment with New York's energy policy goals. The importance of improving the Companies' financial integrity to allow them to make the necessary investments in their electric and gas systems cannot be overstated.

With thousands of miles of wires and pipelines, aging substations, aging regulator and gate stations, and wooden poles that in many cases exceed 40 years of service, NYSEG and RG&E are advancing a rate plan to modernize critical electric and gas infrastructure. These rate filings are designed to improve reliability, operational efficiency, and system resiliency as we face increasingly severe and frequent weather events. However, these filings cover more than infrastructure upgrades. The Companies are equally focused on improving customer service, billing transparency, and expanding digital tools that give customers more control over their energy use. Proposed investments in people, systems, and technology will make it easier for customers to track energy consumption, understand their bills, and manage their accounts. These investments are discussed in more detail below.

The Companies recognize that the requested increases are significant, and we took measures to mitigate bill impacts. In some cases, the Companies identified capital investments

that while necessary, could be temporarily delayed or deferred to reduce revenue requirements. In addition, we voluntarily utilized other moderators to mitigate the Rate Year impact to customers, such as the use of a lower single Rate Year return on equity ("ROE") and phasing in recovery of an excess depreciation reserve deficiency. In the end, the Companies' requested rate increases are necessary and unavoidable with a large portion due to legacy issues and other factors beyond the Companies' control.

With this in mind, and while these rate filings reflect one-year rate cases for NYSEG and RG&E electric and gas service, the Companies are interested in engaging in settlement discussions and have provided additional multi-year data to support a five-year rate plan. A fiveyear rate plan would help alleviate customer bill impacts by providing the opportunity to levelize and smooth rate increases over time. A five-year rate plan would also enable better long-term planning and offer regulatory stability that supports continued investment in critical infrastructure, including clean energy transition projects, storm hardening, customer service improvements, etc., while protecting the Companies' credit ratings. In addition, it would provide the structure and stability necessary for NYSEG and RG&E to proactively manage supply chain risk. Extended lead times and rising costs for key infrastructure components, such as transformers and certain gas materials, necessitate long-term procurement strategies. The proposed framework enables the Companies to mitigate project delays and manage escalating costs through strategic sourcing, supplier partnerships, and bulk purchasing. Securing vital infrastructure components in a timely and cost-effective manner will enable the Companies to continue meeting their obligations to customers and New York State, ensuring safe, reliable, and increasingly clean energy service well into the future.

The five-year rate plan sought by the Companies would also reduce the risk of abrupt, year-over-year rate increases and allow for more deliberate execution of state policies and needed system upgrades. Critically, such a multi-year plan would also enable the Companies to "catch up" from the compounding effects of under-recovery and deferred investment over recent years, placing NYSEG and RG&E in a stronger financial and operational position to meet the demands of future state policy mandates, rising customer expectations, and necessary system upgrades. Customers, New York State, regulators, and investors would all benefit from this greater predictability and assurance that the Companies can deliver reliable, affordable, and sustainable service well into the future.

In sum, these filings reflect the Companies' commitment to delivering the service reliability, system resiliency, and clean energy transition New Yorkers deserve, while managing affordability and protecting the long-term financial stability necessary to sustain these efforts. Our cases identify the resources and investments necessary to carry out these important objectives in a cost-effective manner for our customers, while confronting the realities of residual rate impacts from our last rate cases, the ongoing requirements of municipal and state programs, and the shortfall in contemporaneous cost recovery that is driving down the Companies' credit metrics.

II. Major Initiatives

A. Electric and Gas System Reliability and Resiliency

In 2024, storms interrupted electric service to more than 592,702 customers across our service areas. In 2023, even more customers were impacted by severe weather events, with over 1 million customers experiencing service interruptions. These figures underscore the need for the more than \$19 billion of planned infrastructure investments in our electric and gas systems. The plan focuses on reducing outage frequency and duration, expediting service restoration, and ensuring safe, reliable delivery when customers need it most. Vegetation management remains a top priority, as nearly half of all outages are caused by trees or limbs contacting overhead lines. The Companies propose to continue and enhance system-wide trimming efforts, expanding clearance work along distribution lines and transmission corridors, with approximately \$100 million committed toward reducing this leading cause of outages.

The Companies deliver safe and reliable electricity service, generally demonstrating improvement in their reliability metrics since 2021. However, the data used to establish the targets for these operational metrics have not been adjusted since 2002 and therefore do not reflect current system conditions – a system that is aging faster than upgrades and experiencing more frequent storms. For this reason, we are proposing to adjust the SAIFI target for NYSEG to reflect current conditions. While our efforts to achieve a SAIFI target of 1.20 in 2025 are underway, the chart below demonstrates that the 1.20 level is not reflective of average system conditions, largely due to NYSEG historically being the only New York electric utility to not have a systemwide trimming cycle.



For the gas businesses, the Companies have each removed nearly 90 miles of leak-prone pipe over the past three years. We remain committed to advancing safety and reliability through enhanced leak surveys, the adoption of state-of-the-art pipeline inspection technologies, and strengthened integrity management practices in alignment with evolving state and federal safety standards.

B. Customer Service and Affordability

Customers want to know that the information in their bill is accurate and that a dedicated team is available to offer support when they need it. These filings include targeted investments in customer service operations, including upgrades to call center technology, billing systems, and online portals. We are building on progress made with tools like the AVA virtual assistant, which has already responded to more than 132,000 customer inquiries over the past two years.

The rate filings also include a proposal and reflect the incremental costs to fully in-source call center activities in response to changes to the Public Service Law that limit a gas and electric utility's ability to send customer service calls outside of a utility's service territory (which is where the Companies' current call centers operate) without notice, a hearing, or approval from the Commission.

Energy efficiency remains central to our customer affordability strategy. Over the past three years, the Companies' programs have helped customers avoid more than 600,000 Megawatt-hours of electricity use and 3 million dekatherms of natural gas consumption. Our Electrification program participation has increased by more than 40% since 2022, enabling New York's clean energy transition. In addition, the Energy Affordability Program has delivered over \$150 million in financial assistance to income-eligible customers in that same period.

In conjunction with all the efforts the Companies are taking to continuously improve our customer service, it is critical to adjust their customer service performance indicators ("CSPIs") to align the targets with those of other New York utilities. Currently, the CSPI targets and negative revenue adjustments applicable to NYSEG and RG&E are more stringent than those in place for other New York utilities.

C. Clean Energy

NYSEG and RG&E continue to play a central role in supporting New York State's energy goals under the Climate Leadership and Community Protection Act ("CLCPA"). The Companies are making strategic investments to enable the state's CLCPA targets, including the goal of 70% renewable electricity by 2030 and a carbon free electric system by 2040. This work requires significant modernization of the distribution and transmission grid to integrate growing volumes of renewable generation, energy storage, and distributed energy resources ("DERs").

The Companies continue to deliver programs that directly support the deployment of DERs, and the implementation of new projects, programs, and ways of working to support New York's clean energy priorities, including connecting 1.1 GW of solar energy; installing more than 2,400 electric vehicle charging ports; and the deployment of over 1.3 million advanced metering infrastructure ("AMI") meters. Our Energy Manager portal provides AMI customers near real-time data and other insights to help them manage their energy usage.

III. Companies' Approach to Developing the Rate Filings

To develop our rate filings, we analyzed the cost of delivering service at levels required by law, regulation and Commission order and what needs to get accomplished over the next five years for our customers and the State of New York, considering what it would take from an investment and people standpoint while keeping affordability in mind. To help prioritize, we grouped our identified costs into three main categories:

Category	Description of Costs	Delivery Rate Increase % (averaged across Companies and customer classes)
Correcting Legacy Issues	Storm cost to 2022-2024 average, Uncollectibles to 2022-2024 average, Vegetation Management contemporary recovery, Depreciation rates, Inclusion of Net Operating Losses in Rate Base, expiring rate making elements	~14%
State Policy Related Costs	Customer support programs, Call Center Law, late payments, Make Ready and Prevailing wage costs, GRT, CLCPA, Taxes, Sales Forecast	~9%
Core Business Requirements	O&M costs, Operational Investments, Cost of Debt, ROE	~12%

IV. Overview of the Companies' Rate Case Filings

The Companies' rate filings are based on the test year (i.e., calendar year 2024) financial results adjusted to the beginning of the rate year May 1, 2026 – April 30, 2027 ("Rate Year"). In order to preserve the Companies' existing rate year structure (i.e., rate years running from May 1 to April 30 of the following year), the Companies seek to work with Department of Public Service Staff, stakeholders, and the Commission to get rates approved for this case effective on May 1, 2026, with a corresponding reduction in the typical 11-month suspension period. Since the Companies are submitting these rate case filings on June 30, 2025, the effective date of new rates, assuming an approximately 10-month suspension period, will be May 1, 2026.

Our filings demonstrate the need and provide support for delivery rate increases for each business. Table 1 below provides a summary of the proposed delivery rate increases, delivery revenue percentages and total revenue percentages for all four businesses.²

Total revenue reflects the inclusion of Supply Revenue provided by each business and Energy Service Companies ("ESCOs"). The ESCO supply revenue is based on the 2024 average costs of supply provided by each business times the energy units served by ESCOs.

Table 1: Rate Increase Amounts and Revenue Percentages

Company	In	quested acrease millions)	Base Delivery Percentage	Overall Percentage
NYSEG Electric	\$	464.4	35.0%	18.4%
RG&E Electric		220.2	36.0%	19.8%
NYSEG Gas		93.0	39.4%	22.1%
RG&E Gas		72.9	32.0%	17.1%

Table 2 below illustrates the monthly average residential customer bill increases being proposed in these rate case filings. The average residential customer bill increase percentages differ from the revenue increase percentages because of revenue allocation that is guided by cost-of-service studies and the Companies' proposed rate design.

Table 2: Monthly Average Residential Customer Total Bill Increases³

NYSEG						
	kWh	Current Rates	Proposed Rates	Increase \$ Amount	Percent Increase	
SC1 - Electric	600	\$139.63	\$172.75	\$33.12	23.7%	
	Therms	Current Rates	Proposed	Increase \$ Amount	Percent Increase	
SC1- Residential Heating Gas	83	\$100.07	\$133.64	\$33.57	33.5%	

RG&E					
	kWh	Current Rates	Proposed	Increase \$ Amount	Percent Increase
SC1 - Electric	600	\$126.91	\$159.92	\$33.01	26.0%
	Therms	Current Rates	Proposed	Increase \$ Amount	Percent Increase
SC1- Residential Heating Gas	83	\$84.84	\$103.71	\$18.87	22.2%

V. Proposed Rate Plan Term

These rate filings reflect one-year rate cases for NYSEG and RG&E electric and gas service. The Companies are also providing five years of data that can be used to determine revenue requirements to support a settlement of up to five years. As explained further above,

³ Average electric residential customer bill impacts are based on 600 kwh per month. Average gas residential customer bill impacts are based on 83 therms per month. These estimated bill impacts are based on total billed charges including delivery, supply and surcharges and exclude taxes.

multi-year settlements are in the public interest, allowing effective long-range planning, while spreading investment costs over a longer period. The Companies are interested in engaging in settlement discussions and can provide revenue requirements for multi-year models as necessary to support the settlement process.

VI. <u>Information Accompanying This Rate Filing</u>

The Companies are contemporaneously transmitting revised Tariff Leaves electronically to the Commission. The Tariff Leaves have an issue date of June 30, 2025, and an effective date of July 30, 2025. While the Companies hope to achieve a resolution of these proceedings that will permit the revised rates to become effective May 1, 2026, the Companies understand that the Commission has the discretion to suspend the revised tariff leaves with rates to become effective May 27, 2026.

VII. Conclusion and Public Notice

The written testimony and exhibits constitute the Companies' direct case in support of these rate filings. The testimony, exhibits and tariffs submitted with these filings explain the reasons for and the nature of the Companies' proposed changes to their rates and services. As demonstrated throughout our direct case, NYSEG and RG&E have put forward a comprehensive and necessary plan to protect the long-term financial and operational health of the Companies to continue delivering safe and reliable service to our customers. The proposed investments address critical priorities: upgrading and storm hardening aging infrastructure; expanding and enhancing vegetation management programs to reduce outage risk; correcting legacy cost recovery shortfalls that have strained financial integrity; improving customer service, billing systems, and affordability initiatives; and advancing the clean energy goals established under New York State's climate policies.

In these filings, the Companies took a balanced approach that reflects the cost of providing service consistent with law, regulation and Commission order and responsibly manages costs while making the essential investments needed to serve customers today and prepare the system for tomorrow's challenges. The Companies look forward to working constructively with Department of Public Service Staff and other stakeholders to achieve a fair and sustainable outcome, including the development of a five-year rate plan that provides long term stability, predictability, and the foundation required to meet the evolving needs of customers and the state.

Assuming the normal suspension period for consideration of the rate filings, the Companies respectfully request that, in the absence of agreement of the parties, the Commission approve the proposed rate changes to become effective on and as of May 27, 2026. Newspaper publication will be made in accordance with §66(12) of the Public Service Law and 16 NYCRR §720-8.

Also attached is the Companies' Request of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation for a Waiver and/or Extension of the Commission's Policy Statement on Test Periods in Major Rate Proceedings.

Respectfully submitted,

Jeffrey A. Rosenbloom

Enclosures

Cc with attachment Parties to Cases 22-E-0317 et al.

STATE OF NEW YORK PUBLIC SERVICE COMMISSION

Case 25-E
Case 25-G
Case 25-E
Case 25-G

REQUEST OF NEW YORK STATE ELECTRIC & GAS CORPORATION AND ROCHESTER GAS AND ELECTRIC CORPORATION FOR A WAIVER AND/OR EXTENSION OF THE COMMISSION'S POLICY STATEMENT ON TEST PERIODS IN MAJOR RATE PROCEEDINGS

I. INTRODUCTION

Pursuant to 16 NYCRR §§ 3.3 and 3.6 of the State of New York Public Service Commission's ("Commission") Rules and Regulations, New York State Electric & Gas Corporation ("NYSEG") and Rochester Gas and Electric Corporation ("RG&E" and together with NYSEG, the "Companies") hereby request a 31-day waiver, up to and including to June 30, 2025, from and/or extension of the Commission's "Statement of Policy On Test Periods In Major

Rate Proceedings" ("Policy Statement") requirement that a rate case filing must consist of operating results from a twelve-month period expiring at the end of a calendar quarter no earlier than 150 days before the date of filing.¹

The Companies have prepared their rate cases, which are being filed on this day, based on operating results for the twelve-month period ending December 31, 2024, which by the terms of the Policy Statement was to be filed by May 30, 2025. While the Companies diligently prepared their major rate case filings, for the reasons explained herein, the Companies were unable to submit the filings by May 30, 2025. Accordingly, the Companies respectfully request that the Commission grant on an expedited basis, the 31-day waiver (up to and including June 30, 2025) from and/or extension of the Policy Statement's 150-day period.

II. DISCUSSION

The Policy Statement requires, in relevant part, that a major rate filing include operating results, with normalizing adjustments, for a twelve-month period expiring at the end of a calendar quarter no earlier than 150 days before the filing.² The Policy Statement also requires a utility to provide projected results for the twelve-month rate period and a verifiable link between the two periods.

NYSEG and RG&E devoted substantial resources to preparing their rate case filings.

Notwithstanding the Companies best efforts, NYSEG and RG&E were unable file these rate cases until today, 31 days after the 150-day time period set forth in the Policy Statement. The

² <u>Id.</u>

¹ <u>Case 26821</u>, Statement of Policy on Test Periods in Major Rate Proceedings, 17 NY PSC 25-R (Nov. 23, 1977) ("Policy Statement"). The Policy Statement was subsequently modified to allow operating results, with normalizing adjustments, for the most recent complete fiscal year ending no earlier in time than eight months before the filing date. <u>See Case 92-M-1145 - Proceeding on Motion of the Commission to Investigate and Develop Rate-Setting Process Encompassing Long-Term Planning Goals, Rate Strategies, and Resource Utilization</u>, Opinion No. 96-3, Opinion and Order Adopting Recommended Decision at 18, 34-35, and Appendix B at 20 (Jan 25, 1996).

Companies' request for a 31-day waiver/extension relating to the proposed test period ending May 30, 2025, is for good cause and should be granted.

The additional days the Companies needed to prepare these rate cases was to ensure better quality of the data supporting the major rate changes proposed in these proceedings. Specifically, these rate filings provide additional granularity concerning the Companies' project planning process, electric and gas project origination, and necessary capital investments. The additional time also afforded the Companies the opportunity to comprehensively address customer-service related activities and projects to respond to customer expectations, meet customer service metrics, and achieve superior customer service levels. During this additional period, the Companies also were able to address additional aspects related to implementation of the recently enacted Chapter 107 of the Laws of 2025, updating Chapter 675 of the Laws of 2024, which collectively amend Subdivision 13 of Section 65 of the Public Service Law, PSL § 65(13) ("New Call Center Laws"). The New Call Center Laws limit a gas and electric utility's ability to send customer service calls outside of a utility's service territory without notice, a hearing and approval from the Commission. Compliance with the New Call Center Laws presents customer service complexities and necessitates substantial investment and other implementation activities on the part of the Companies.

Even after the grant of the waiver and/or extension requested by NYSEG and RG&E, the test year remains fully representative and will not have become stale. The Companies invested significant time and effort into preparing these rate cases based on a test period ending December 31, 2024. If the Commission determines that the Companies are not permitted to use calendar year 2024 as the test period, the Companies will have to repeat the preparation of the cases,

duplicating much of the effort they have already devoted to analyzing and normalizing data for the 2024 year.

The availability of slightly greater time to prepare more complete rate cases also will yield a clearer and more reviewable filing that benefits the Companies, the Commission, State of New York Department of Public Service Staff and all interested parties. Additionally, no party will be prejudiced by the waiver request and/or extension. Indeed, the Companies believe that most parties would agree that calendar year data are likely to be preferable to data for the twelve-months ended March 31, 2025, because calendar year data tend to be more readily comparable, and hence more useful, than data for periods concluding at the end of other quarters. The Companies' burden of proof remains the same, and it remains the Companies' obligation in these rate cases to provide substantial evidence of a quantifiable link between the test year utilized and the forecasted rate year data. NYSEG and RG&E will provide the necessary link.

Significantly, the Commission has not fixed the content in advance for every rate case because utilities are allowed to present their rate case as they deem appropriate.³ The Commission has always afforded parties a significant degree of flexibility in determining the types and amount of data needed to support particular rate increase requests. As the introduction to the Commission's regulations governing rate proceedings states:

Proceedings involving the reasonableness of existing or proposed rates vary so greatly in character and scope that it is impossible to prescribe rules of universal application that are suited to all rate proceedings. . . Because of these facts, no attempt is here made to specify the data that must be supplied in all rate proceedings....⁴

The purpose of maintaining a relatively close link-period between the test period and the filing date will not be materially impaired, if at all, by the grant of the Companies' requested waiver

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³ See Policy Statement.

⁴ 16 NYCRR Part 61 Notes.

and/or extension. Additionally, similar requests or extension have previously been granted by the Commission.⁵

CONCLUSION

For the above-stated reasons, the Companies respectfully request that the Commission grant the 31-day waiver and/or extension of the Policy Statement's requirement that the rate case filing utilize operating results from a twelve-month period expiring at the end of a calendar quarter no earlier than 150 days before the date of filing.

Respectfully submitted,

NEW YORK STATE ELECTRIC & GAS CORPORATION

ROCHESTER GAS AND ELECTRIC CORPORATION

Name: Jeffrey A. Rosenbloom

Title: Vice President and General Counsel

Dated: June 30, 2025

⁵ <u>Case 23-W-0111 - Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Veolia Water New York, Inc. for Water Service, Order Granting Waiver of 150-Day Provision of the Commission's Statement of Policy on Test Periods in Rate Proceedings (Jun. 26, 2023); Case 16-G-0325 – Petition of Corning Natural Gas Corporation for a Waiver of 150 Day Provision of Statement of Policy on Test Periods in Rate Proceedings, Order Granting Waiver of 150-Day Provision of the Commission's Statement of Policy on Test Periods (Sept. 21, 2016); Case 15-G-0313 – Petition of St. Lawrence Gas Company Inc. for a Waiver of the 150 Day Requirement for Filing a Rate Case, Order Approving Waiver of 150-Day Provision of the Commission's Statement on Test Periods in Rate Proceedings (Oct. 21, 2015); Case 13-E-0030 et al. – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service, Order Approving Limited Waiver of the Commission's Policy Statement on Test Periods in Major Rate Proceedings (July 23, 2013); Case 08-G-1137 - Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Corning Natural Gas Corporation for Gas Service, Order Establishing Rate Plan, at 10 (Aug. 20, 2009).</u>

						For Department of State
Notice	of Pro	posed Ru	le Mai	king		
(Rate	Making	only)			olic Service Commission	
NOTE:		submission instruc orms will be cause				to COMPLETE ALL ITEM
1. Propose						
See a	ttached.					
	ttached.					
-	ttached.					
-	e of the rule:					
See a	ttached.					
5. Public	hearings (che	eck box and comp	olete as ap	plicable):		
	•	aring is not sched	•	•	/M-4 East la	
LJ	days after p	iring is required b ublication of this	y iaw and i notice unle	s scheduled bei ss a different tin	ow. (<i>Note:</i> first nearing ne is specified in stat	ng date must be at least (tute.)
[]	A public hea	aring is not requir	ed by law,	but is scheduled	l below.	
Time:		Date:		Location:		
		_				

6. Interpreter services (check only if a public hearing is scheduled):

Interpreter services will be made available to hearing impaired persons, at no charge, upon written request to the agency contact designated in this notice.

Accessibility (ch	neck appropriate box only if a public hearing is scheduled):
All publ impairm	ic hearings have been scheduled at places reasonably accessible to persons with a mobility nent.
Attache	d is a list of public hearing locations that are not reasonably accessible to persons with a mobility nent. An explanation is submitted regarding diligent efforts made to provide accessible hearing
8. Terms of rule (S	SELECT ONE SECTION):
A. [] The full	text of the rule is attached because it does not exceed 2,000 words.
	nary of the rule is attached because the full text of the rule exceeds 2,000 words. Web posting ext of such rule is not required [SAPA §202(1)(a)].
substar	nt to SAPA §202(7)(b), the agency elects to print a description of the subject, purpose and not not required [SAPA §202(1)(a)]. [Rate Making]. Web posting of full text of such not required [SAPA §202(1)(a)].
9. The text of the rul	e and any required statements and analyses may be obtained from:
Agency contact	Honorable Michelle L. Phillips, Secretary
Agency Name	New York Public Service Commission
Office address	Three Empire State Plaza
	Albany, New York 12223-1350
Telephone	(518) 474-6530 <i>E-mail:</i> secretary@dps.ny.gov
Agency name Office address	
Telephone	
	t will be received until: after publication of this notice (MINIMUM public comment period).
[] 5 days aft	er the last scheduled public hearing required by statute (MINIMUM, with required hearing).
[] Other: (sp	pecify)
	ncy rule making for this action was previously published in the gister, I.D. No
	er required by statute: e below material required by statute).
[x] No additiona	

14. Regula	latory Agenda [See SAPA §202-d(1)]:	
[]	This action was a Regulatory Agenda item in the follo	wing issue of the State Register
[]	This action was not under consideration at the time this publication in the <i>Register</i> .	s agency's Regulatory Agenda was submitted for
[x]	× Not applicable.	
Impact Sta	ulatory Impact Statement, Regulatory Flexibility Analogatement statement and analyses are not submitted with this notice because tion 102(2)(a)(ii) of the State Administrative Procedure Act.	•
16. PUBLIC	IC SERVICE COMMISSION ONLY:	
SAPA NO.).	
AGENCY C	CERTIFICATION (To be completed by the person who PRE	PARED the notice.)
I have review knowledge.	ewed this form and the information submitted with it. The information	ation contained in this notice is correct to the best of my
I have revie applicable p	iewed Article 2 of SAPA and Parts 260 through 263 of 19 NYCR provisions.	R, and I hereby certify that this notice complies with all
Name	eSignat	ure
Address	s	
Telephone	e E-N	1ail
Date	e	

Please read before submitting this notice:

- 1. Except for this form itself, all text must be typed in the prescribed format as described in the Department of State's Register procedures manual, *Rule Making in New York*.
- 2. Rule making notices, with any necessary attachments (in MS Word), should be e-filed via the Department of State website.

Attachment to SAPA Notice

Proposed Action:

The New York State Public Service Commission is considering whether to approve, modify, or reject, in whole or in part, a proposal by New York State Electric & Gas Corporation ("NYSEG") to make various changes in the rates, charges, rules and regulations contained in NYSEG's Schedules for Electric Service – P.S.C. Nos. 119, 120, and 121.

Statutory Authority under which the Rule is Proposed:

Public Service Law Section 66(12).

Subject of the Rule:

Major electric rate filing.

Purpose of the Rule:

To consider whether to approve, modify, or reject, in whole or in part, a proposal to increase annual base rate revenues for NYSEG by approximately \$464 million, and to make other revisions to its Schedules for Electric Service – P.S.C. Nos. 119, 120, and 121.

Substance of Proposed Rule:

The New York State Public Service Commission is considering whether to approve, modify, or reject, in whole or in part, a proposal to increase annual base rate revenues for NYSEG by approximately \$464 million, and make other revisions to its Schedules for Electric Service – P.S.C. Nos. 119, 120, and 121.

						For Department of State
Notice	of Pro	posed Ru	le Mai	king		
(Rate	Making	only)			olic Service Commission	
NOTE:		submission instruc orms will be cause				to COMPLETE ALL ITEM
1. Propose						
See a	ttached.					
	ttached.					
-	ttached.					
-	e of the rule:					
See a	ttached.					
5. Public	hearings (che	eck box and comp	olete as ap	plicable):		
	•	aring is not sched	•	•	/M-4 East la	
LJ	days after p	iring is required b ublication of this	y iaw and i notice unle	s scheduled bei ss a different tin	ow. (<i>Note:</i> first nearing ne is specified in stat	ng date must be at least (tute.)
[]	A public hea	aring is not requir	ed by law,	but is scheduled	l below.	
Time:		Date:		Location:		
		_				

6. Interpreter services (check only if a public hearing is scheduled):

Interpreter services will be made available to hearing impaired persons, at no charge, upon written request to the agency contact designated in this notice.

Accessibility (ch	neck appropriate box only if a public hearing is scheduled):
All publ impairm	ic hearings have been scheduled at places reasonably accessible to persons with a mobility nent.
Attache	d is a list of public hearing locations that are not reasonably accessible to persons with a mobility nent. An explanation is submitted regarding diligent efforts made to provide accessible hearing
8. Terms of rule (S	SELECT ONE SECTION):
A. [] The full	text of the rule is attached because it does not exceed 2,000 words.
	nary of the rule is attached because the full text of the rule exceeds 2,000 words. Web posting ext of such rule is not required [SAPA §202(1)(a)].
substar	nt to SAPA §202(7)(b), the agency elects to print a description of the subject, purpose and not not required [SAPA §202(1)(a)]. [Rate Making]. Web posting of full text of such not required [SAPA §202(1)(a)].
9. The text of the rul	e and any required statements and analyses may be obtained from:
Agency contact	Honorable Michelle L. Phillips, Secretary
Agency Name	New York Public Service Commission
Office address	Three Empire State Plaza
	Albany, New York 12223-1350
Telephone	(518) 474-6530 <i>E-mail:</i> secretary@dps.ny.gov
Agency name Office address	
Telephone	
	t will be received until: after publication of this notice (MINIMUM public comment period).
[] 5 days aft	er the last scheduled public hearing required by statute (MINIMUM, with required hearing).
[] Other: (sp	pecify)
	ncy rule making for this action was previously published in the gister, I.D. No
	er required by statute: e below material required by statute).
[x] No additiona	

14. Regula	latory Agenda [See SAPA §202-d(1)]:	
[]	This action was a Regulatory Agenda item in the follo	wing issue of the State Register
[]	This action was not under consideration at the time this publication in the <i>Register</i> .	s agency's Regulatory Agenda was submitted for
[x]	× Not applicable.	
Impact Sta	ulatory Impact Statement, Regulatory Flexibility Analogatement statement and analyses are not submitted with this notice because tion 102(2)(a)(ii) of the State Administrative Procedure Act.	•
16. PUBLIC	IC SERVICE COMMISSION ONLY:	
SAPA NO.).	
AGENCY C	CERTIFICATION (To be completed by the person who PRE	PARED the notice.)
I have review knowledge.	ewed this form and the information submitted with it. The information	ation contained in this notice is correct to the best of my
I have revie applicable p	iewed Article 2 of SAPA and Parts 260 through 263 of 19 NYCR provisions.	R, and I hereby certify that this notice complies with all
Name	eSignat	ure
Address	s	
Telephone	e E-N	1ail
Date	e	

Please read before submitting this notice:

- 1. Except for this form itself, all text must be typed in the prescribed format as described in the Department of State's Register procedures manual, *Rule Making in New York*.
- 2. Rule making notices, with any necessary attachments (in MS Word), should be e-filed via the Department of State website.

Attachment to SAPA Notice

Proposed Action:

The New York State Public Service Commission is considering whether to approve, modify, or reject, in whole or in part, a proposal by New York State Electric & Gas Corporation ("NYSEG") to make various changes in the rates, charges, rules and regulations contained in NYSEG's Schedules for Gas Service – P.S.C. Nos. 87, 88, and 90.

Statutory Authority under which the Rule is Proposed:

Public Service Law Section 66(12).

Subject of the Rule:

Major gas rate filing.

Purpose of the Rule:

To consider whether to approve, modify, or reject, in whole or in part, a proposal to increase annual base rate revenues for NYSEG by approximately \$93 million, and to make other revisions to its Schedules for Gas Service – P.S.C. Nos. 87, 88, and 90.

Substance of Proposed Rule:

The New York State Public Service Commission is considering whether to approve, modify, or reject, in whole or in part, a proposal to increase annual base rate revenues for NYSEG by approximately \$93 million, and make other revisions to its Schedules for Gas Service – P.S.C. Nos. 87, 88, and 90.

						For Department of State
Notice	of Pro	posed Ru	le Mai	king		
(Rate	Making	only)			olic Service Commission	
NOTE:		submission instruc orms will be cause				to COMPLETE ALL ITEM
1. Propose						
See a	ttached.					
	ttached.					
-	ttached.					
-	e of the rule:					
See a	ttached.					
5. Public	hearings (che	eck box and comp	olete as ap	plicable):		
	•	aring is not sched	•	•	/M-4 East la	
LJ	days after p	iring is required b ublication of this	y iaw and i notice unle	s scheduled bei ss a different tin	ow. (<i>Note:</i> first nearing ne is specified in stat	ng date must be at least (tute.)
[]	A public hea	aring is not requir	ed by law,	but is scheduled	l below.	
Time:		Date:		Location:		
		_				

6. Interpreter services (check only if a public hearing is scheduled):

Interpreter services will be made available to hearing impaired persons, at no charge, upon written request to the agency contact designated in this notice.

Accessibility (ch	eck appropriate box only if a public hearing is scheduled):
All publi impairm	c hearings have been scheduled at places reasonably accessible to persons with a mobility ent.
Attache	d is a list of public hearing locations that are not reasonably accessible to persons with a mobility ent. An explanation is submitted regarding diligent efforts made to provide accessible hearing
8. Terms of rule (S	ELECT ONE SECTION):
A. [] The full	text of the rule is attached because it does not exceed 2,000 words.
	nary of the rule is attached because the full text of the rule exceeds 2,000 words. Web posting ext of such rule is not required [SAPA §202(1)(a)].
substar	nt to SAPA §202(7)(b), the agency elects to print a description of the subject, purpose and uce of the rule as defined in SAPA §102(2)(a)(ii) [Rate Making]. Web posting of full text of such required [SAPA §202(1)(a)].
9. The text of the rule	e and any required statements and analyses may be obtained from:
Agency contact	Honorable Michelle L. Phillips, Secretary
Agency Name	New York Public Service Commission
Office address	Three Empire State Plaza
	Albany, New York 12223-1350
Telephone	(518) 474-6530
Agency name Office address	
Telephone	
	will be received until: after publication of this notice (MINIMUM public comment period).
[] 5 days aft	er the last scheduled public hearing required by statute (MINIMUM, with required hearing).
[] Other: (sp	pecify)
	ncy rule making for this action was previously published in the
	er required by statute: below material required by statute).
	al material required by statute.

14. Regula	latory Agenda [See SAPA §202-d(1)]:					
[]	This action was a Regulatory Agenda item in the following issue of the State Register					
[]	[] This action was not under consideration at the time this agency's Regulatory Agenda was submit publication in the <i>Register</i> .					
[x]	Not applicable.					
Impact Sta	ulatory Impact Statement, Regulatory Flexibility Anal Statement eatements and analyses are not submitted with this notice because to tion 102(2)(a)(ii) of the State Administrative Procedure Act.					
16. PUBLIC	IC SERVICE COMMISSION ONLY:					
SAPA NO.).					
AGENCY C	CERTIFICATION (To be completed by the person who PRE	PARED the notice.)				
I have reviewnowledge.	ewed this form and the information submitted with it. The informate.	ation contained in this notice is correct to the best of my				
I have revie applicable p	iewed Article 2 of SAPA and Parts 260 through 263 of 19 NYCR provisions.	R, and I hereby certify that this notice complies with all				
Name	e Signate	ure				
Address	s					
Telephone	e E-M	1ail				
Date	e					

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- 2. Rule making notices, with any necessary attachments (in MS Word), should be e-filed via the Department of State website.

Attachment to SAPA Notice

Proposed Action:

The New York State Public Service Commission is considering whether to approve, modify, or reject, in whole or in part, a proposal by Rochester Gas and Electric Corporation ("RG&E") to make various changes in the rates, charges, rules and regulations contained in RG&E's Schedules for Electric Service – P.S.C. Nos. 18 and 19.

Statutory Authority under which the Rule is Proposed:

Public Service Law Section 66(12).

Subject of the Rule:

Major electric rate filing.

Purpose of the Rule:

To consider whether to approve, modify, or reject, in whole or in part, a proposal to increase annual base rate revenues for RG&E by approximately \$220 million, and to make other revisions to its Schedules for Electric Service – P.S.C. Nos. 18 and 19.

Substance of Proposed Rule:

The New York State Public Service Commission is considering whether to approve, modify, or reject, in whole or in part, a proposal to increase annual base rate revenues for RG&E by approximately \$220 million, and make other revisions to its Schedules for Electric Service – P.S.C. Nos. 18 and 19.

					For Department of Sta
Notice	of Pro	posed Ru	le Ma	king	
(Rate	Making	only)			Public Service Commission (SUBMITTING AGENCY)
NOTE:		submission instruc orms will be cause			s form. Please be sure to COMPLETE ALL ITEI nange in text.
1. Propose					
See at	tached.				
	tached.				
-	tached.				
4. Purpos	e of the rule:				
See a	ttached.				
5. Public	hearings (che	ck box and com	olete as ap	plicable):	
	-	ring is not sched	•	•	
LJ	A public head days after p	ring is required tublication of this	y law and i notice unle	is scheduled be ess a different t	elow. (<i>Note:</i> first hearing date must be at least time is specified in statute.)
[]		aring is not requir			· · · · · · · · · · · · · · · · · · ·
Time:		Date:		Location:	

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9. The text of the rule	e and any required statements and analyses may be obtained from:
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Agency Name	New York Public Service Commission
Office address	Three Empire State Plaza
	Albany, New York 12223-1350
Telephone	(518) 474-6530
Agency name Office address	
Telephone	
	will be received until: after publication of this notice (MINIMUM public comment period).
[] 5 days aft	er the last scheduled public hearing required by statute (MINIMUM, with required hearing).
[] Other: (sp	pecify)
	ncy rule making for this action was previously published in the
	er required by statute: below material required by statute).
	al material required by statute.

14. Regula	latory Agenda [See SAPA §202-d(1)]:					
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[]	[] This action was not under consideration at the time this agency's Regulatory Agenda was submit publication in the <i>Register</i> .					
[x]	Not applicable.					
Impact Sta	ulatory Impact Statement, Regulatory Flexibility Anal Statement eatements and analyses are not submitted with this notice because to tion 102(2)(a)(ii) of the State Administrative Procedure Act.					
16. PUBLIC	IC SERVICE COMMISSION ONLY:					
SAPA NO.).					
AGENCY C	CERTIFICATION (To be completed by the person who PRE	PARED the notice.)				
I have reviewnowledge.	ewed this form and the information submitted with it. The informate.	ation contained in this notice is correct to the best of my				
I have revie applicable p	iewed Article 2 of SAPA and Parts 260 through 263 of 19 NYCR provisions.	R, and I hereby certify that this notice complies with all				
Name	e Signate	ure				
Address	s					
Telephone	e E-M	1ail				
Date	e					

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- 2. Rule making notices, with any necessary attachments (in MS Word), should be e-filed via the Department of State website.

Attachment to SAPA Notice

Proposed Action:

The New York State Public Service Commission is considering whether to approve, modify, or reject, in whole or in part, a proposal by Rochester Gas and Electric Corporation ("RG&E") to make various changes in the rates, charges, rules and regulations contained in RG&E's Schedules for Gas Service – P.S.C. No. 16.

Statutory Authority under which the Rule is Proposed:

Public Service Law Section 66(12).

Subject of the Rule:

Major gas rate filing.

Purpose of the Rule:

To consider whether to approve, modify, or reject, in whole or in part, a proposal to increase annual base rate revenues for RG&E by approximately \$73 million, and to make other revisions to its Schedules for Gas Service – P.S.C. No. 16.

Substance of Proposed Rule:

The New York State Public Service Commission is considering whether to approve, modify, or reject, in whole or in part, a proposal to increase annual base rate revenues for RG&E by approximately \$73 million, and make other revisions to its Schedules for Gas Service – P.S.C. No. 16.