



April 28, 2015

**VIA ONLINE FILING**

Honorable Kathleen Burgess  
Secretary  
New York State Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223

Re: **Case 15-G-0101** Petition of the Small Customer Marketer Coalition to Examine and Revise the Mechanism for the Annual Reconciliation of Gas Expenses and Gas Cost Recoveries

Dear Secretary Burgess,

On February 24, 2015, the Small Customer Marketer Coalition ("SCMC") submitted a Petition requesting that the New York State Public Service Commission ("Commission") commence an investigation and examination of the Annual Reconciliation of Gas Expenses and Gas Cost Recoveries, codified at Title 16 NYCRR Section 720.6.5, to assess its impact and efficacy in the current regulatory and economic environment. In addition, the Petition requests that alternative cost recovery mechanisms be investigated and implemented so that monthly gas adjustment clauses are reflective of actual current market costs.

The New York State Energy Marketers Coalition ("NYSEMC")<sup>1</sup>, a coalition of energy services companies providing both electricity and natural gas supply service throughout New York State, strongly supports the Petition request of the SCMC and the relief it seeks.

The existing cost recovery mechanisms which are referenced in the Petition represent a reconciliation process that dates back to 1953 and was last modified in 1999 at the earliest stages of mass-market retail natural gas competition. In its current form, this reconciliation process makes it difficult for customers to make an accurate comparison between ESCO and utility services. Furthermore, it may ultimately injure customers who choose to shop for their energy in the competitive marketplace. We believe that a reassessment and restructuring of these recovery mechanisms is long-overdue in order to protect customers and to allow for reasonable recovery without impairing the provision of the accurate price signals that customers need in order to participate in a healthy market.

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<sup>1</sup> For purposes of this filing, the NYSEMC consists of Agway Energy Services, LLC, Infinite Energy, Inc., Interstate Gas Supply, Inc. dba IGS Energy, Mirabito Natural Gas, LLC, and SouthStar Energy Services, LLC dba New York Natural Gas.



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This investigation and review is critical to protecting customers and promoting a truly competitive energy market, especially in light of the Commission's ongoing proceedings on Reforming the Energy Vision. Therefore, we respectfully request that the Commission grant the relief sought by the Petition.

Sincerely,

Frank Caliva III  
Regulatory Consultant, NYSEMC  
President, PR Quinlan Associates, Inc.