

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE

THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350

Internet Address: <http://www.dps.state.ny.us>

PUBLIC SERVICE COMMISSION

PATRICIA L. ACAMPORA

Chairwoman

MAUREEN F. HARRIS

ROBERT E. CURRY JR.

CHERYL A. BULEY



PETER McGOWAN

Acting General Counsel

JACLYN A. BRILLING

Secretary

November 13, 2007

SENT VIA ELECTRONIC FILING
Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Room 1-A209
Washington, D.C. 20426

Re: Docket No. RM07-9-000 - Assessment of Information Requirements for FERC Financial Forms

Dear Secretary Bose:

For filing, please find the Comments of the New York State Public Service Commission in the above-entitled proceeding. Should you have any questions, please feel free to contact me at (518) 473-8178.

Very truly yours,

Handwritten signature of David G. Drexler.

David G. Drexler
Assistant Counsel

Attachment

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Assessment of Information Requirements) Docket No. RM07-9-000
for FERC Financial Forms)

COMMENTS OF THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NEW YORK

BACKGROUND

On February 15, 2007, the Federal Energy Regulatory Commission (FERC or Commission) issued a Notice of Inquiry (NOI) seeking comments on the Commission's financial reporting requirements. The NOI sought input regarding whether the Commission's annual and quarterly financial reporting forms provide sufficient information for the public to evaluate the filers' jurisdictional rates, or whether modification to the forms would improve their usefulness.

On March 28, 2007, the NYPSC submitted comments identifying various areas where additional information should be included on FERC Forms 1 and 2 to assist in our analyses. In particular, we identified modifications to Form 1 that would assist in our analysis of a utility's performance, such as: consistent reporting of electric operating revenues; reporting of sales to delivery-only customers so that customer migration to Energy Service Companies can be measured; and, detailing

revenue components used to analyze a utility's financial condition. We also recommended reporting related to affiliate transactions, pensions and Other Post-Employment Benefits on Forms 1 and 2, to ensure rates are just and reasonable.

Finally, we recommended that FERC address the need for additional information on Form 2, by requiring interstate gas pipelines to file cost and revenue studies. Alternatively, we suggested that Form 2 should be revised to require the filing of detailed information, including a breakdown of gas revenues, costs and quantities of gas that comprise sales of system gas. This information was requested to assist in our performing cost of service studies.

INTRODUCTION AND DISCUSSION

On September 20, 2007, the Commission issued a Notice of Proposed Rulemaking (NOPR), proposing to amend the financial forms, statements and reports for natural gas companies contained in FERC Form Nos. 2, 2-A and 3Q.¹ The proposed amendments would obligate gas pipelines to provide additional detailed information regarding their costs and revenues. This includes the NYPSC's recommendations to require the reporting of

¹ The Commission intends to address potential changes or amendments to the annual and quarterly forms applicable to electric utilities and oil pipelines in future orders. NOPR at ¶12.

information related to affiliate transactions, employee pensions and benefits, and the breakdown of gas revenues, costs and quantities of gas sold.

The NYPSC supports the Commission's proposed amendments to FERC Forms 2, 2-A and 3Q, which will assist in evaluating the just and reasonableness of FERC-jurisdictional rates, including assessing whether companies doing business in New York are in an over- or under-earning position.² We truly appreciate the responsiveness of the Commission to our comments on the NOI. However, we ask that the Commission address our suggestion to require additional reporting on Form 2, including billing determinants (i.e., contract demand) for each rate schedule at the beginning and end of the year,³ as well as any revenues and costs associated with trackers or special surcharges.⁴ These additional requirements will further aid in

² These comments are filed pursuant to the NOPR, which was published in the Federal Register on September 27, 2007.

³ This information could be included in the existing Account 489 Revenues schedule.

⁴ NYPSC Comments on NOI at pp. 9-10 (filed March 28, 2007).

making a reasonable assessment of gas pipelines' cost of service.

Respectfully submitted,



Peter McGowan
Acting General Counsel
Public Service Commission
of the State of New York

By: David G. Drexler
Assistant Counsel
3 Empire State Plaza
Albany, NY 12223-1305
(518) 473-8178

Dated: November 13, 2007
Albany, New York

CERTIFICATE OF SERVICE

I, Ruth Tarrance, do hereby certify that I will serve on November 13, 2007, the foregoing Comments of the Public Service Commission of the State of New York upon each of the parties of record indicated on the official service list compiled by the Secretary in this proceeding.

Date: November 13, 2007
Albany, New York


Ruth Tarrance