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September 25, 2003

Hon. Jaclyn Brilling
Secretary
NYS Public Service Commission
Three Empire State Plaza
Albany, New York 12223

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

Dear Secretary Brilling:

This letter shall constitute as the initial comments filed on behalf of Select Energy New York, Inc. (“Select”) in this proceeding.

Select concurs with the concern expressed by the Commission in the Order Instituting Proceeding¹ regarding the impact on the ability of ESCO to compete with utilities if they are required to procure renewable resources beyond what their customers request.² Imposition of a mandated RPS standard may, in the absence of proper safeguards, place ESCOs at a serious competitive disadvantage. It is therefore necessary for the Commission to adopt an RPS Standard that meets the goal of energy diversity without degrading the competitive standing of ESCO, providing service in the State of New York.

In furtherance of this goal, Select supports a central procurement model implemented by the PSC and NYSERDA, where the cost of the incremental renewable supplies is recovered from all customers taking delivery of service, through the regulated distribution rate. Select also supports an annual monitoring and review process that will keep track of the impact of the RPS Standard and allow for the introduction of corrective measures.

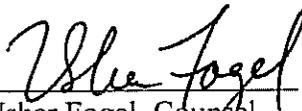
¹ Case 03-E-0188 – Proceeding on Motion of the Commission Regarding a Retail Renewable Portfolio Standard, Order Instituting Proceeding (issued February 19, 2003) (“Order”).

² Order, p. 2.

Select reserves its right to submit additional comments in the reply phase of this proceeding.

Respectfully submitted,

Select Energy New York, Inc.

By: 
Usher Fogel, Counsel

cc: Hon. Eleanor Stein
Parties on Service List