

PSC No: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: October 17, 2009

Leaf No. 22
Revision: 6
Superseding Revision: 4

GENERAL INFORMATION

7. **Revenue Decoupling Mechanism Adjustment ("RDM") (cont'd.)**

3. The Target Delivery Revenue for each service classification is calculated on a monthly basis for each of the service classifications identified above.
 - a. Upon expiration of a negotiated contract under Service Classification Nos. 13 and 14, or the expiration of a NYPA allocation, the Target Delivery Revenue for the customer's otherwise applicable service classification will increase to reflect the increase in base delivery revenues associated with such customer.
 - b. After one year, the Initial Target Delivery Revenues for each service classification will be adjusted by an amount equal to the change in the Gross Domestic Product-Implicit Price Deflator, less a 0.5% productivity offset factor. Thereafter, the Target Delivery Revenue for each service classification will be adjusted annually on the same basis.
 - c. A negative adjustment to the Target Delivery Revenue will not be applied.
4. A Revenue Decoupling Mechanism (RDM) Statement setting forth the rate adjustment will be filed with the Public Service Commission on not less than ten (10) days' notice. Such statement can be found at the end of this Schedule (PSC 120 – Electricity).

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York