

PSC No: 88 - Gas
NEW YORK STATE ELECTRIC & GAS CORPORATION
Initial Effective Date: October 17, 2009

Leaf No. 50.30
Revision: 2
Superseding Revision: 1

GENERAL INFORMATION

35. Purchase of ESCO Accounts Receivable Program (POR)

In accordance with the Joint Proposal on Purchase of Accounts Receivable ("POR JP") dated October 28, 2005, in Case 05-M-0543 as approved by the Public Service Commission's Order Adopting the Terms and Conditions of the Joint Proposal for the Purchase of Accounts Receivable, issued December 27, 2005, NYSEG will purchase accounts receivable at a discount and without recourse for commodity sales by ESCOs that provide commodity service in NYSEG's territory. For ESCOs' customers participating in consolidated billing as of February 1, 2006, NYSEG will also purchase those ESCOs' arrearages incurred on or before February 1, 2006, at a discount and without recourse.

Eligibility Requirements:

ESCOs that elect the Company's consolidated billing option for all or a portion of their customers will be required to sell their accounts receivable for such customers to NYSEG under the terms of the POR. ESCOs continue to have the right to issue their own bill using dual billing for all or a portion of their customers. Such ESCOs will be precluded from participating in the POR for customers receiving dual billing.

Purchase Price:

Gas accounts receivable will be purchased at a discount off face value of the ESCO receivable. The discount rate will be sufficient to compensate the Company for its financial risk in purchasing gas receivables, including, but not limited to, the level of NYSEG's uncollectibles.

The gas discount rate will be based on a one-year average of NYSEG's actual historical uncollectibles experience.

Thereafter, discount rates will be adjusted each year to reflect NYSEG's experience for uncollectible expense from the prior October through September period. New annual discount rates will become effective January 1st of each respective year. A POR Discount (DISC) Statement setting forth the gas discount will be filed with the Public Service Commission on not less than three (3) days' notice prior to January 1 of each year.

Payments:

As specified in Appendix B of the POR JP, payments to ESCOs will be made, via ACH (Automated Clearing House), 20 days after acceptance of the EDI 810 transaction.

Other Considerations:

The POR shall be subject to modifications based upon Commission orders, rules, and regulations applicable to retail access, including, but not limited to, the Uniform Business Practices, proration of customer payments under a single bill, and provisions of Home Energy Fair Practices Act. The POR obviates the need for NYSEG to prorate partial customer payments among ESCOs that are participating in the POR.

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