Received: 09/17/2009 Status: CANCELLED Effective Date: 09/26/2010

PSC NO. 90 Gas

NEW YORK STATE ELECTRIC & GAS CORPORATION

Initial Effective Date: 10/17/09

Leaf No: 105.3

Revision: 0

Superseding Revision:

GENERAL INFORMATION

23. DEFERRAL RECOVERY MECHANISM (DRM):

Each month the Company will examine its deferred costs, reserve balances and reliability revenue adjustments. If at any time the combination of the Company's deferred and reserve balances exceeds \$3 million, positive or negative, a Deferral Recovery Mechanism adjustment will be applied in the following month.

The DRM adjustment will be applied per therm to all therms delivered under PSC No. 87 Service Classification Nos. 1, 2, 3, 4, 5, 6, 9, 10, and 11 and PSC No. 88 Service Classification Nos. 1, 2, 3, 5, 6, 7, 13, 14, 16 and 19.

A DRM statement setting forth the Deferral Recovery Mechanism adjustment will be filed with the Public Service Commission on not less than three (3) day's notice.

Issued by: James A. Lahtinen, Vice President - Rates & Regulatory Economics, Binghamton, NY

Cancelled by supplement No. 15 effective 09/25/2010 Suspended to 09/26/2010 by order in Case 09-G-0716. See Supplement No. 14. The supplement filing date was 07/29/2010 Suspended to 08/14/2010 by order in Case 09-G-0716. See Supplement No. 13. The supplement filing date was 02/08/2010 Suspended to 02/14/2010 by order in Case 09-G-0716. See Supplement No. 12. The supplement filing date was 10/15/2009