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PSC No: 120 - Electricity

New York State Electric and Gas Corporation

Initial Effective Date: September 26, 2010

Leaf No. 276.1

Revision: 1

Superseding Revision:

Issued in compliance with Order in Case 09-E-0715 dated September 21, 2010

SERVICE CLASSIFICATION NO. 10 (Continued)

RATE TO BE PAID BY THE CORPORATION: (Per Month)

3) If the customer's generator is not PTID Eligible:

Day Ahead Locational Based Marginal Price ("**Day Ahead LBMP**_h") is the NYISO hourly Day Ahead LBMP applicable to the NYISO Zone in which the customer's generator is located

Hourly Real Time Locational Based Marginal Price ("**Real Time LBMP**_h") is the NYISO hourly Real Time LBMP applicable to the NYISO Zone in which the customer's generator is located;

Incurred Cost is any charges assessed by the NYISO applicable to the customer;

 S_h is the Cogenerated Energy quantity scheduled, in MWh, by NYSEG upon the written request of cogenerator, for each specific hour, in the NYISO in the Day Ahead market, whereas the cogenerator shall provide a written schedule by noon two business days prior to the day for which the schedule applies;

Q_h is the Cogenerated Energy quantity delivered, in MWh, to the Delivery Point for a specific hour;

h is the respective hour in each month; and

n is the number of hours in each month.

Capacity Payment, if applicable: (UCAP_m * Capacity_m)

Unforced Capacity (" $UCAP_m$ ") is the Market-Clearing Price of capacity in kW-month as determined from the NYISO's monthly UCAP Auction.

Monthly Capacity ("Capacity $_m$ ") is the Unforced Capacity ("UCAP") recognized by the NYISO as applicable to capability requirements for the respective calendar month, as set forth in the NYISO Tariff, in kW.

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