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New York State Electric & Gas Corporation

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GENERAL INFORMATION

11. Electric Delivery and Reliability Surcharge Mechanism (EDR)

Pursuant to the Commission's *Order Authorizing Recovery of Costs Associated with Stimulus Projects*, issued and effective July 27, 2009 in Case 09-E-0310, the Electric Delivery and Reliability Surcharge Mechanism (EDR) is designed to recover the balance of costs associated with projects that were approved by the Public Service Commission and received partial funding from the U.S. Department of Energy. The EDR shall recover the costs associated with such projects when projects are placed in-service.

1. Calculation of:

The EDR shall consist of the revenue requirement for the approved projects plus reconciliation of the prior EDR; divided by the Company's forecast of sales for the twelve month period over which the surcharge will apply.

2. Applicable to:

Each customer bill for service under Service Classification Nos. 1, 2, 3, 5, 6, 7, 8, 9, 11, 12, 13, and 14 will be increased by multiplying all kilowatt-hours delivered by the EDR; to be determined annually.

3. Reconciliation:

Each year, the Company will complete a reconciliation for the EDR. The Company will reconcile for difference between authorized surcharge amounts and actual collections. Any over- or under-collection will be deducted from or added to the subsequent EDR as described in Section 11.1 above.

A statement setting forth the projects, their associated capital and operating costs, and estimated in-service dates will be filed with the Commission on not less than fifteen (15) days' notice.

Issued in compliance with order in Case 09-E-0310 dated 07/27/09.

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