

PSC No: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: January 1, 2008

Leaf No. 117.10
Revision: 1
Superseding Revision: 0

GENERAL INFORMATION

25. Pricing Options Effective January 1, 2008 (Cont'd.)

E. Lost Revenue Recovery Mechanism (LRRM)

The LRRM will be a component of the NBC. The LRRM will consist of the following:

1. Any true-up dollars related to the difference between estimated phase-in MFC dollars included in the 2007 NBC and actual dollars applicable to the phase-in MFC's and the applicable MFC's that will be effective on January 1, 2008.
2. The collection/return of the under- or over-recovered unavoidable costs embedded in the MFC. Unavoidable costs consist of the following components: Credit and collection costs (amounts not recovered in the Purchase Of Receivables (POR) discount rate), customer care costs (FERC accounts 901, 903 and 905), customer service costs (FERC accounts 908-916), administrative and general costs (FERC accounts 920-935), depreciation expenses and taxes.
3. Actual versus forecast meter function charge revenues less avoided costs.

F. Customer Eligibility Criteria:

1. Incentive Rate and Non-Incentive Rate Load:

Customers receiving an Economic Incentive for load qualified prior to July 1, 2003 shall be served under the NYSEG Fixed Price Option (FPO) rate for the load receiving such incentive (Incentive Load).

Customers receiving an economic incentive for load qualified on or after July 1, 2003, may select a rate option for such qualified Incentive Load, as specified in the applicable Special Provision for Economic Incentives of the respective service classifications.

The Non-Incentive Load (defined as load that is not served under special contract, an economic incentive or discounted rate) can be served under any of the rate choices available to customers in the applicable service classifications. A customer who has Non-Incentive Load, in addition to Incentive Load that qualified on or after July 1, 2003, may select a different rate option for the Non-Incentive Load than for the Incentive Load, unless prohibited by the terms of the Special Provisions for the customer's economic incentive. Such customers eligible to choose more than one rate option, but who choose only one option for their account at the time of enrollment, will have that selected option applied to all eligible usage on that account.

2. Customers Applying for Service

Customers applying for service will be served at the appropriate NYSEG supply option (NYSEG Fixed Price Option (FPO) or the SC 7 Special Provision (i) for Hourly Pricing) unless and until an ESCO's retail access enrollment has been received by NYSEG in accordance with General Information Section 16 – Customer Advantage Program –General Retail Access and the Uniform Business Practices.

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