

PSC No: 120 - Electricity  
New York State Electric and Gas Corporation  
Initial Effective Date: January 1, 2007

Leaf No. 254.2  
Revision: 0  
Superseding Revision:

### SERVICE CLASSIFICATION NO. 7 (Continued)

#### SPECIAL PROVISIONS: (Cont'd)

(i) Hourly Pricing – Mandatory and Voluntary (Cont'd.)

#### **ELECTRICITY SUPPLY PRICING OPTIONS AVAILABLE TO CUSTOMERS: (Cont'd.)**

#### **2. NYSEG Hourly Day-Ahead Market Pricing Option (“Hourly Pricing”) (Cont'd.)**

##### **Electricity Supply Charge: All kilowatthours, per kilowatthour**

Customers served under this provision will be charged for the energy component of supply based on their hourly metered usage and the hourly supply cost. The electricity supply charge is equal to the sum of the hourly metered usage multiplied by the New York Independent System Operator (NYISO) Day-Ahead Market (DAM) Location Based Marginal Price (LBMP) for the Zone in which the customer is electrically connected, adjusted for system losses. Capacity charges will also be based on interval meter data. The DAM LBMP prices will be the initial published DAM LBMP prices acquired by the Company. The customer's bill will not be recalculated if such prices are modified by the NYISO at a later date.

$$\text{Hourly Supply Charge} = \sum (\text{kWh}_h * L_d * \text{SP}_h)$$

$\text{kWh}_h$  = kilowatthour for each hour in a billing period.

$\text{SP}_h$  = DAM LBMP prices by hour

$L_d$  = Distribution loss factor:

Voltage Level	Service Classification	Energy Loss Factor
Transmission	7-4	1.0000
Subtransmission	7-3	1.0150
Primary	7-2	1.0377
Secondary	7-1	1.0728

Issued in compliance with order in Case No. 03-E-0641 dated 04/24/06.

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