

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

Leaf No. 218
Revision: 14
Superseding Revision: 12

SERVICE CLASSIFICATION NO. 7 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

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

SUPPLY SERVICE 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.

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

kWh_h = kilowatthour for each hour in a billing period.

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. 07-E-0479 dated 08/29/07.

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