

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

Leaf No. 117.26  
Revision: 0  
Superseding Revision:

#### GENERAL INFORMATION

### **25. Supply Service Options: (cont'd.)**

### **II. Supply Service Options effective January 1, 2007 – December 31, 2007 (cont'd.)**

#### **D. Merchant Function Charge (MFC): (cont'd.)**

##### **Effective July 1, 2007:**

\$0.0028 per kwh for Service Classification Nos. 1, 2, 5, 6, 7-1, 8, 9, 12 within PSC No. 120, and all service classifications within PSC No.121 Street Lighting.

\$0.0012 per kwh for Service Classification Nos. 3, 7-2, 7-3 and 7-4.

For Service Classification Nos. 11, 13, and 14, the customer's otherwise applicable service classification will determine the applicable MFC.

#### **E. Lost Revenue Recovery Mechanism (LRRM)**

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

1. The difference between the applicable phase-in MFC's set forth in Section 25.D. and the applicable MFC 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.

Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

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