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COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 0

INITIAL EFFECTIVE DATE: 12/01/02 SUPERSEDING REVISION:

STAMPS: Issued in compliance with Commission order in Case 01-G-1668 dated 11/

RECEIVED: 11/26/02 STATUS: Effective EFFECTIVE: 12/01/02

GENERAL INFORMATION

14. GAS SUPPLY CHARGE (GSC): (CONT'D)

- H. Monthly GSC Statement: (Cont'd)
 - (3) Each GSC statement will contain: (Cont'd)
 - (e) A summary of adjustments, including the LFA, FA, Supplier Refund Adjustment, Research and Development Adjustment, Annual Reconciliation Adjustment, Interim Reconciliation Adjustment and other adjustments as approved by the PSC;
 - (f) The net amount, or GSC without the MFC, on a per Therm basis; and
 - (g) The MFC.
 - (4) The Company will file supporting data and workpapers underlying the GSC statement, consistent with 16 NYCRR, Chapter VII Provisions Affecting Public Service, Subchapter C, Rates and Charges, Part 720, Construction and Filing of Tariff Schedules, or superseding issues thereof.
- Alternative Gas Cost:
 - (1) The Company may seek to offer customers alternative pricing mechanisms to that provided above.
 - (2) Any such alternative pricing mechanism will be filed with, and approved by, the PSC prior to implementation.

15. BILL MITIGATION PLAN

The Bill Mitigation Plan will gradually phase-in the bill impacts on residential customers of moving from below-market gas costs to a market-based Gas Supply Charge (GSC). The phase-in of the market-based GSC will occur over a one-year period commencing October 1, 2002. Associated deferred gas costs will be recovered over a period no later than September 30, 2005.

A. Definitions:

(1) **Mitigation Rate** – the unit cost/therm that is not billed to customers; this rate is based on the difference between the mitigated gas supply charge and the market-based supply charge.