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 ..TXT: PSC NO: 90 GAS LEAF: 97
 COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 1
 INITIAL EFFECTIVE DATE: 12/01/02 SUPERSEDING REVISION: 0
 STAMPS: Issued in compliance with Commission order in Case 01-G-1668 dated 11/
 Cancelled by 2 Rev. Leaf No. 97 Effective 02/01/2003
 RECEIVED: 11/26/02 STATUS: Cancelled EFFECTIVE: 12/01/02

GENERAL INFORMATION

16. TRANSITION SURCHARGE: (CONT'D)

A. (1) (b) (Cont'd)

Ucap = total utility upstream pipeline capacity (dt).

MA_ucap\$ = utility upstream market area capacity costs (\$).

MA_ucapD\$ = utility market area capacity costs that have been decontracted (\$).

(c) $SA_\$cap = [(tcap - SA_ucapD - SA_fgrow) / (ucap - SA_ucapD)] * [SA_ucap\$ - SA_ucapD\$]$

where,

tcap = amount of capacity associated with customers using their own capacity to bring gas to the citygate (dt).

SA_ucapD = the Company's supply area pipeline capacity that has been de-contracted due to customer migration from sales to transportation (dt).

SA_fgrow = the amount of tcap used to meet growth in the Company's design day firm sales load (dt).

Ucap = total utility upstream pipeline capacity (dt).

SA_ucap\$ = utility upstream supply area capacity costs (\$).

SA_ucapD\$ = utility supply area capacity costs that have been decontracted (\$).

(d) The \$cap is then reduced by one hundred percent (100%) of the savings derived from capacity release attributable to customers migrating from firm sales service to transportation service on or after November 2, 1995. This otherwise applicable reduction to \$cap will not apply while these savings are used to recover Deferred Gas Costs pursuant to the Company's September 12, 2002 Joint Proposal, as approved by the PSC in its November 20, 2002 order in Cases 01-G-1668 and 01-G-1683.

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(Name of Officer, Title, Address)