

PSC No: 120 - Electricity  
 New York State Electric & Gas Corporation  
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 Revision: 1  
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## GENERAL INFORMATION

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

#### I. Supply Service Options (cont'd.)

#### B. Transition Charge (cont'd)

##### Components of the Transition Charge: (cont'd)

1. Non-Bypassable Charge ("NBC") (Cont'd)
  - b) The NBC shall be set monthly based on a forecast and subject to a monthly true-up for all components based on the actual after-the-fact costs and load subject to the NBC.
  - c) All service classes shall pay the NBC on a volumetric basis; residential customer classes shall also receive the benefits, if any, of NYPA purchased power and monthly payments received by the Company from NYPA under the Recharge New York Residential Consumer Discount Program (New York Public Authorities Law § 1005(13-b)), consistent with any the Company contracts with NYPA for such purchased power and/or monthly payments.
  - d) All items collected through the NBC shall be symmetrically reconciled and trued-up monthly in a competitively neutral manner. The credits or charges related to the reconciliation shall be included in a subsequent monthly NBC.
  - e) Any cost savings resulting from optimization activities associated with NYSEG's grandfathered transmission entitlements and procurement activities for Tier-1 eligible renewable energy certificates ("RECs") as defined in the Commission's August 1, 2016 Order Adopting a Clean Energy Standard issued in Case 15-E-0302 ("CES Order"), will be shared with customers and shareholders on an 80% / 20% basis. The credits related to the Electric Cost Incentive Mechanism ("ECIM") shall be included in a subsequent monthly NBC.

A Non-Bypassable Charge Statement setting forth the NBC shall be filed with the Public Service Commission on not less than one days' notice. Such statement can be found at the end of this Schedule.

2. Value of Distributed Energy Resources ("VDER") Value Stack Credits Statement

The following costs associated with Value Stack credits paid by the Company pursuant to Rule 40.B, Value Stack shall be allocated and collected by service classification as follows:

- a. Capacity Value [Market Value]: allocated to service classes based on how the Company allocates ICAP;
  - i. Costs associated with the Capacity Value [Market Value and Out of Market Value] shall not be recovered from Hourly Pricing customers
- b. Capacity Value [Out of Market Value], Environmental Value [Out of Market Value], and Market Transition Credit: all delivery customers, allocated to service classes based on the composition of subscribers who receive benefits in proportion to the benefits received;
- c. Demand Reduction Value (DRV) and Locational System Relief Value (LSRV): all delivery customers on a voltage level basis; allocated to service class by voltage level based on appropriate T&D demand allocators. The DRV and LSRV shall be collected from demand-billed customers on a per-kW basis.

A Value of Distributed Energy Resources Cost Recovery ("VDER-CR") Statement setting forth the VDER rates shall be filed with the Commission on not less one day's notice. Such statement can be found at the end of this Schedule.