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

**7. Revenue Decoupling Mechanism Adjustment ("RDM")**

## 1. Applicable to:

- a. All customers taking service under residential Service Classification Nos. 1, 8, and 12, except as noted in (c.) below, and general service under Service Classification Nos. 2, 3-Primary, 3-Subtransmission, 6, 7-1, 7-2, 7-3, and 9, whether receiving electricity supply from the Company or an ESCO, such customers shall be subject to a RDM Adjustment as described below.
  - i. For reconciliation purposes, the Company shall combine all residential classes and shall maintain individual general service classes; as noted above in 1.a.
- b. All customers taking service under Service Classification No. 11 and choose to be subject to the otherwise applicable service class rates (pursuant to Section 3 under "Optional Standby Service Rate Phase-In is Applicable To;". All other customers taking service under Service Classification No. 11 shall be excluded from the RDM Adjustment.
- c. The following customers shall be excluded from the RDM Adjustment: customers taking Seasonal Service under the Special Provisions in Service Classification Nos. 1 and 8,, Service Classification No. 7-4 Transmission, Service Classification Nos. 5, 10, 13, and 14.

## 2. Definitions:

- a. "Delivery Service Revenue Target" for residential service classifications, it shall be based on combined residential service classification base delivery revenues for each month; and for general service classifications, it shall be based on individual service classification base delivery revenues for each month. Delivery Service Revenue Targets for each of the Rate Years are set forth in the Joint Proposal dated February 19, 2016 in Case Nos. 15-E-0283, 15-G-0284, 15-E-0285, and 15-G-0286, and approved by the Commission on June 15, 2016. The Delivery Service Revenue Target for Rate Year 3 shall repeat annually until changed by the Commission.
- b. "Actual Billed Delivery Service Revenue": For the purpose of RDM, shall be measured as the sum of the billed base delivery revenues from all customers for each service classification. Base delivery revenues include revenues related to the Customer Charge, Demand Charge (per kW), Reactive Charge (per rkvarh), and the Energy Charge for delivery (per kWh). For purposes of this calculation, revenues related to the System Benefits Charge ("SBC"), Rate Adjustment Mechanism ("RAM"), Merchant Function Charge ("MFC"), Transition Charge (Non-Bypassable Charge ["NBC"]), Reliability Support Services Surcharge ("RSSS"), Temporary State Assessment Surcharge ("TSAS"), and New York Power Authority ("NYPA") supplied usage are excluded. All sales to customers with economic development discounts or low income bill credits shall be calculated at standard service classification rates.
- c. "Rate Year": for the purposes of RDM, Rate Year 1 shall be effective through April 30, 2017. Each Rate Year thereafter shall begin on May 1 in all subsequent 12-month periods.

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