

PSC NO: 90 GAS

NEW YORK STATE ELECTRIC & GAS CORPORATION

Initial Effective Date: 07/01/2016

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GENERAL INFORMATION

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

D. Pipeline Refund:

- (1) The Company shall pass back to customers any refund, including applicable interest on any unrefunded balance, received from a pipeline as follows:
 - (a) All refunds received each month shall be combined for purposes of determining the refund credit. The rate of refund shall be computed by dividing the total amount to be refunded by the corresponding estimated sales for the next successive 12 calendar months provided. All refunds concluded during the 12-months ending August 31 of each year shall be reconciled with amounts intended to be refunded during that period with any difference applied to the Annual Surcharge or Refund Computation.
 - (b) Interest shall be computed on the unrefunded balance from the date of receipt of the refund until the refund is returned to the customers at the rate prescribed by the Commission.
 - (c) If gas supply credits (e.g. pipeline refunds) are received by the Company in any month, such credits shall be returned through the monthly Gas Supply Charge. The Company shall not retain any gas supply credits. To the extent a pipeline passes back a refund directly to the Company, rather than to the ESCOs, the Company shall allocate a pro-rata share to daily and non-daily metered customers as applicable.
- (2) The Pipeline Refund shall be calculated by dividing applicable pipeline refunds by annual forecasted firm sales.
- (3) In lieu of immediately applying any pipeline refund, the Company may accumulate such refunds, with applicable interest, to be accounted for during the annual reconciliation. With PSC approval, accumulated refunds may be returned at any time preceding the annual reconciliation.
- (4) Where exceptional circumstances warrant, the Company may petition the Commission for a waiver of the above refund plan.

E. Heater Charge

The costs of gas used to pre-heat city gate natural gas throughput at the Company's Gate Station shall be recovered as part of the Company's overall purchased gas costs and shall be recovered through the Gas Supply Charge for all applicable customers and Transition Surcharge for Service Classification Nos. 13, 14, and 19.

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