

PSC No: 88 - Gas
NEW YORK STATE ELECTRIC & GAS CORPORATION
Initial Effective Date: 04/01/14

Leaf No. 8
Revision: 10
Superseding Revision: 9

GENERAL INFORMATION

2. TERRITORY TO WHICH SCHEDULE APPLIES:

The entire territory served with gas as more fully described in the following Schedules or superseding issues thereof:
PSC No. 87 - All Areas

3. INCREASE IN RATES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED:

The rates and charges for service under all Service Classifications, including minimum charges, shall be increased to collect taxes pursuant to:

- A. Section 186-a and Article 9 of the Tax Law [Gross Income Tax ("GIT")].
- B. Chapter 60, Article 9 and, where applicable, Section 20-b of the General City Law and Section 5-530 of the Village Law. The rates and charges for transportation service are not subject to the Municipal Tax ("Muni Tax") imposed on the Company.
- C. Section 186-c and Section 209-b under Article 9 of the Tax Law -- Metropolitan Business Tax Surcharge

For the counties of Putnam and Orange, the surcharge percentages will be adjusted to reflect the Temporary Metropolitan Business Tax Surcharge ("MTA Tax") as charged to the Company under Section 186-c and Section 209-b under Article 9 of the Tax Law. A revised surcharge percentage will be filed for each year the MTA Tax surcharge is applicable. The actual tax surcharge expense will be reconciled with the amount collected during each 12-month period and a reconciling adjustment will be made, if necessary, for the last two months of each 12-month period.

Aggregate percentage tax rates will be separately calculated for rates and charges for:

- 1) Residential Non-Retail Access Delivery Service
- 2) Non-Residential Non-Retail Access Delivery Service
- 3) Non-Retail Access Commodity Service (Residential and Non-Residential)
- 4) Residential Retail Access Delivery Service
- 5) Non-Residential Retail Access Delivery Service

The effective aggregate percentage tax rates will be computed as follows:

Areas not subject to MTA Tax:

- a) Within cities or villages subject to Municipal Tax:

$$[[1/(1 - (GIT + \text{Muni Tax}))] - 1] * 100$$

- b) Outside of cities or villages subject to Municipal Tax:

$$[(1/(1 - GIT)) - 1] * 100$$

Areas subject to MTA Tax:

- a) Within cities or villages subject to Municipal Tax:

$$[[1/[1/[(1 + \text{MTA tax}) / [1 - (GIT + \text{Muni Tax})]]] - 1] * 100$$

- b) Outside of cities or villages subject to Municipal Tax:

$$[[1/[1/[(1 + \text{MTA Tax}) / (1 - GIT)]]] - 1] * 100$$

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