

PSC NO: 90 GAS
NEW YORK STATE ELECTRIC & GAS CORPORATION
INITIAL EFFECTIVE DATE: 09/01/12
Issued in compliance with Order in Case 09-G-0716 dated 08/20/12

LEAF: 105.2.1
REVISION: 0
SUPERSEDING REVISION:

GENERAL INFORMATION

3. Calculation (Cont'd)

- (i) The Company shall compare the revenues the RDM mechanisms would have yielded if not modified as indicated in 22.2.a.(i) with the revenues obtained from the mechanisms as modified in 22.2.a.(i). If the comparison demonstrates the 5% materiality test would not have been met had the RDM mechanisms as adopted in the Rate Plan remained in effect, then the Company shall cancel the modification and reinstate the original mechanism as set forth in 22.2.a.
 - (ii) If the implementation of the modified mechanisms as stated in 22.2.a.(i) results in additional RDM reconciliation revenues from the affected rate groups, and the Company is earning in excess of its allowed return on equity (ROE) provided for in the Rate Plan, the ROE exceedance attributable to the additional RDM reconciliation revenues, whatever the size of that exceedance, shall be deferred and recaptured for the benefit of customers. These benefits will be returned to the affected classes in the following RDM reconciliation periods. This process will be repeated until the RDM mechanism is changed and provides otherwise.
- b. The first two months of the Rate Year will be adjusted upward to reverse the effect of pro-ratio of changes in effective delivery rates.
 - c. If at any time during the Rate Year the cumulative difference between the actual billed revenues per customer and the cumulative target revenues per customer is 1.25% or more, the Company will file an interim RDM Adjustment for each service classification. For the Rate Years listed below, the amounts by Rate Year (positive or negative) will trigger an interim RDM Adjustment for each service classification:
 - (i) Rate Year 1: \$1.65 million;
 - (ii) Rate Year 2: \$1.90 million
 - (iii) Rate Year 3: \$2.04 million

Such interim RDM Adjustment will be limited to no more than one per Rate Year and will occur over four (4) months or until the end of the Rate Year, whichever is longer.

4. Filing of Statements

- a. A Revenue Decoupling Mechanism (RDM) Statement setting forth the rate adjustment will be filed with the Public Service Commission on not less than thirty (30) days notice.
- b. Should the Company file an interim RDM Adjustment as described above, such filing will occur on not less than ten (10) days notice.
- c. Such statements can be found at the end of each Schedule (PSC No. 87 – Gas and PSC No. 88 - Gas).

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