

Effective Date: 11/01/2017

PSC No: 120 - Electricity
 New York State Electric & Gas Corporation
 Initial Effective Date: November 1, 2017
 Issued in compliance with Order in Case Nos. 15-E-0751 and 15-E-0082, dated September 14, 2017.

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 Revision: 1
 Superseding Revision: 0

GENERAL INFORMATION

25. Supply Service Options: (cont'd.)**I. Supply Service Options (cont'd.)****C. Calculation of the Commodity Charge (cont'd.)****3. Hourly Pricing S.C. Nos. 2, 3, 7, and 11 (Demand) (Cont'd)**

$Reserve_{req}$ = Additional reserve requirement as required by NYISO.

$Price_{monthlyauc}$ = Monthly NYISO auction price.

$Demand\ Curve\ Reserve\ Charge = ((UCAP_{req} * L_c) * DemandCurveReserve_{req}) * Price_{spotauc}$

$UCAP_{req}$ = Described above.

L_c = See above.

$DemandCurveReserve_{req}$ = Allocation of additional capacity requirement as required by the NYISO's demand curve.

$Price_{spotauc}$ = Monthly NYISO auction price.

Ancillary Services/NYPA Transmission Adjustment Charge (NTAC) Component: The ancillary services/NTAC shall be forecasted each month and included in the supply price and subsequently reconciled.

NYISO Related Transmission Charges:

Transmission project costs allocated to the Company under the NYISO tariff as approved by FERC.

Supply Adjustment Charge Component:

Unaccounted For Energy, Renewable Energy Credits (RECs), Zero Emissions Credits (ZECs), and if applicable, Alternative Compliance Payment (ACP), costs the Company has paid for the Market Value of the Environmental component of the Value Stack pursuant to Rule 40.B., and all costs incurred related to supply shall be reconciled and recovered or refunded through a subsequent Supply Adjustment Charge incorporated in the supply charge.

D. Merchant Function Charge (MFC):

The MFC shall be applicable to only those customers taking supply service from the Company (*i.e.*, NSS and Hourly Pricing) and is set forth in a statement at the end of this Schedule (P.S.C. No. 120 – Electricity). A separate MFC shall be calculated for Non-demand billed (hedged), (S.C. Nos. 1, 5, 6, 9, and street lighting), Non-demand billed (non-hedged), (S.C. Nos. 8 and 12), and Demand billed (S.C. Nos. 2, 3, 7, 11, 13, and 14) customers. For Service Classification Nos. 11, 13, and 14, the customer's otherwise applicable service classification shall determine the applicable MFC.

1) The MFC shall include the following rate components as described in the Joint Proposal dated July 14, 2010 in Case Nos. 09-E-0715, 09-G-0716, 09-E-0717, and 09-G-0718, and as further amended by the Joint Proposal dated February 19, 2016, in Cases 15-E-0283, 15-G-0284, 15-E-0285, and 15-G-0286.

- a) Commodity-related Uncollectible Costs
- b) Commodity-related Credit and Collections and Call Center costs;
- c) Commodity-related Administrative costs;
- d) Cash Working Capital on Purchased Power costs and
- e) Cash Working Capital on Commodity Hedge Margin costs.
- f) Prior Period Reconciliation

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York