

Effective Date: 04/01/2017

PSC NO: 90 GAS

NEW YORK STATE ELECTRIC & GAS CORPORATION

INITIAL EFFECTIVE DATE: 04/01/2017

Issued in compliance with Order in Case 14-M-0565, dated February 17, 2017.

LEAF: 105.2.1

REVISION: 3

SUPERSEDING REVISION: 2

GENERAL INFORMATION**22. REVENUE DECOUPLING MECHANISM (RDM) ADJUSTMENT (Cont'd)****3. Calculation (Cont'd)**

- c. The first two months of the Rate Year shall be adjusted upward to reverse the effect of pro-ration between old and new rates in actual billed delivery service revenue. The actual billing determinants for each RDM applicable service class shall be multiplied by the approved rates for the Rate Year.
- d. 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 1.50% or more, the Company may 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: \$2.57 million
 - (ii) Rate Year 2: \$2.78 million
 - (iii) Rate Year 3: \$3.00 million
- e. The Company shall reconcile the low-income bill discounts with the amounts in rates. Any under collection of discounts resulting from the implementation of the Low-Income Order (issued and effective February 17, 2017, in Case 14-M-0565) shall be collected through the annual or interim RDM reconciliation. The low income deferral under collection shall be allocated proportionately among the service classes.

Such interim RDM Adjustment shall be limited to no more than one per Rate Year and shall occur over four 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 shall be filed with the Public Service Commission on not less than 30-days' notice.
- b. Should the Company file an interim RDM Adjustment as described above, such filing shall occur on not less than 10-days' notice.
- c. Such statements can be found at the end of each Schedule (P.S.C. No. 87 – Gas and P.S.C. No. 88 - Gas).

Issued By: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, NY