

PSC No: 88 Gas
New York State Electric and Gas Corporation
Initial Effective Date: 11/01/12

Leaf No: 16
Revision No: 8
Superseding Revision: 7

GENERAL INFORMATION

5. NON-DAILY METERED TRANSPORTATION REQUIREMENTS: (CONT'D)

J. Capacity Assignment:

Any customer in Cattaraugus County (referred to as "Olean") requesting residential or non-residential firm aggregation transportation service under Service Classification Nos. 13 and 14 of this Schedule shall take an assignment of upstream pipeline transportation capacity at the Company's contracted rate effective with this provision. The Company will assign the upstream pipeline transportation capacity to the Customer's ESCO. The quantity of upstream pipeline transportation capacity assigned shall be sufficient to meet the Customer's estimated Maximum Daily Transportation Quantity (MDTQ), based on the Company's design day criteria.

Capacity shall be assigned to the Customer's ESCO to meet operational and reliability needs. Such assignments shall be for successive one (1) year terms. The capacity assignment shall be recallable under any of the following four conditions: (1) the Customer requests firm sales service from the Company; (2) the Customer ceases to be a customer of the Company; (3) the Customer switches to a new ESCO; or (4) the Customer's ESCO fails to perform.

K. Capacity Surcharges

1. Through March 31, 2014, ESCOs of non-daily metered transportation customers in the Goshen Area, Champlain Area, Plattsburgh District and Mechanicville District shall be assessed a capacity surcharge. The capacity surcharge will reflect the costs incurred by the Company to transport Customers supplies on intermediary local distribution companies and intrastate pipelines.
2. Effective April 1, 2014, the capacity surcharge will be reflected in the Weighted Average Cost of Capacity (WACOC)

L. Weighted Average Cost of Capacity (WACOC)

1. The Company shall release capacity at a systemwide WACOC to ESCOs serving aggregation customers.
2. The Company will calculate a WACOC, effective April 1 of each year for the subsequent twelve (12) month period based on the Company's upstream portfolio of capacity assets. If in any month the actual WACOC should differ from the calculated WACOC by more than five percent (5%), the Company will reset the capacity release rate.
3. A Weighted Average Cost of Capacity (WACOC) Statement setting forth the annual rate will be filed with the Public Service Commission on not less than thirty (30) days' notice. Such statement can be found at the end of this Schedule.
4. Phase In
 - a. Beginning April 1, 2013, the release price will be the then current release prices plus 50% of the WACOC less the then current capacity release price by pool area ("Phase-1 WACOC Adjustment").
 - b. Beginning April 1, 2014, the release price will be at the WACOC for all pool areas unless the associated adjustment would exceed 125% of the Phase-1 WACOC Adjustment as set forth in the filing to the Commission establishing the April 1, 2013 release price. In the event the associated adjustment would exceed 125% of the Phase 1 WACOC Adjustment, the April 1, 2014 adjustment will be capped at the 125% amount and beginning November 1, 2014, the release price will be at the WACOC for all pool areas.

Issued in Compliance with order in Case 09-G-0716 dated October 18, 2012

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