

PSC No: 120 - Electricity  
New York State Electric & Gas Corporation  
Initial Effective Date: January 1, 2010

Leaf No. 117.10  
Revision: 3  
Superseding Revision: 2

#### GENERAL INFORMATION

### 25. Supply Service Options: (cont'd.)

#### I. Supply Service Options (cont'd.)

##### C. Calculation of the Commodity Component: (cont'd.)

###### 2. Non-Hourly Pricing Demand Metered Customers (cont'd.)

Energy Component: For each day of the customer's billing cycle, a daily average value of market supply is derived from the day ahead NYISO posted Locational Based Marginal Prices (LBMP) of electricity for the region (East or West of the NYISO Total East Interface) in which the Customer is located, weighted to reflect hourly usage based on load studies for the calendar month and day-type (Weekday, Saturday or Sunday/Holiday). Separate calculations will be made for each metered time period for the Customer's individual Service Classification. LBMP in Zone C will be used for customers electrically connected West of the Total East NYISO Interface. LBMP in Zone G will be used for customers electrically connected East of the NYISO Total East Interface.

The daily load weighted market price of energy will be adjusted to reflect losses and Unaccounted For Energy. These daily average market supply values are used in conjunction with the service classification daily load study usage data to develop a weighted average value of market supply for each metered time period within the Customer's specific billing period. The weighted average value of market supply is multiplied by the Customer's metered kWh usage for each metered time period to determine the value of market supply.

Capacity Component: The Capacity component is calculated using the market-clearing price of capacity in \$/kWh as determined from the NYISO's monthly capacity auction price. The Capacity Component will be revised in accordance with each monthly UCAP auction held by the NYISO. The capacity price will also include capacity losses and reserves based on the NYISO monthly and spot capacity auctions.

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

Supply Adjustment Charge Component: All costs incurred related to supply will be reconciled and recovered or refunded through a subsequent Supply Adjustment Charge incorporated in the supply charge.

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