PSC No: 120 - Electricity New York State Electric & Gas Corporation Initial Effective Date: January 1, 2010 Leaf No. 117.9 Revision: 7 Superseding Revision: 6

GENERAL INFORMATION

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

I. Supply Service Options (cont'd.)

B. Transition Charge (Non-Bypassable Charge [NBC])

1. Calculation of the Transition Charge (Non-Bypassable Charge [NBC]): (cont'd.)

(iii) All items collected through the NBC will be symmetrically reconciled and trued-up monthly in a competitively neutral manner. The credits or charges related to the reconciliation will be included in a subsequent monthly NBC.

A Transition Charge Statement setting forth the Transition Charge (NBC) will be filed with the Public Service Commission on not less than one (1) day's notice.

C. Calculation of the Commodity Charge

1. Non-Demand Metered Customers (S.C. Nos. 1, 5, 6, 8, 9, 11 [Non-Demand], 12, and PSC No. 121 Street Lighting)

The commodity charge for customers identified above includes the components described in Section 25.I.C.2. below. On a monthly basis, NYSEG will pass through to these customers the impact of any hedge position entered into on behalf of such customers through an adjustment to the applicable variable commodity charge as described in Section 25.I.C.2. below.

2. Non-Hourly Pricing Demand Metered Customers (S.C. Nos. 2, 3, 7, and 11 [Demand])

The charge for Electric Power Supply provided by NYSEG will fluctuate with the market price of electricity and will include the following components: Energy, Energy Losses, Unaccounted for Energy, Capacity, Capacity Reserves, Capacity Losses, ancillary services, NTAC, and a Supply Adjustment Charge. The methodology for calculating the Energy and Capacity components of the charge for Electric Power Supply is as follows:

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