

PSC NO: 90 GAS
NEW YORK STATE ELECTRIC & GAS CORPORATION
INITIAL EFFECTIVE DATE: 09/26/10
Issued in compliance with Order in Case 09-G-0716 dated 09/21/10

LEAF: 90.4
REVISION: 4
SUPERSEDING REVISION: 2

GENERAL INFORMATION

14. GAS SUPPLY CHARGE (GSC): (CONT'D)

C. The Total Average Cost of Gas is: (Cont'd)

(3) Gas Cost Savings Adjustments: (Cont'd)

(b) Gas Cost Incentive Mechanism:

- (i) One hundred percent (100%) of the savings attributable to migration capacity release will be for the benefit of customers.
- (ii) There will be an 85%/15% sharing between customers and shareholders of:
 - 1. Company non-migration capacity release; and
 - 2. Company off-system sales net of gas cost;
- (iii) There will be an 80%/20% sharing between customers and shareholders of savings from local production.

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