PSC NO: 121 ELECTRICITY NEW YORK STATE ELECTRIC & GAS CORPORATION Initial Effective Date: 09/01/10

Leaf: 14.1 Revision: 3 Superseding Revision: 2

GENERAL INFORMATION

18. Surcharge to Collect Temporary State Assessment

Each customer bill for service under Service Classification Nos. 1, 2, and 3 will be increased to collect a Temporary State Energy and Utility Service Conservation Assessment pursuant to the Commission's *Order Implementing Temporary State Assessment*, issued June 19, 2009. The surcharge rate will be multiplied by all kilowatthours delivered.

A reconciliation of the amounts to be recovered through the surcharge and the actual amounts collected will be reflected in the establishment of the TSAS for the following year.

A Temporary State Assessment Surcharge (TSAS) Statement setting forth the surcharges by service classification will be filed with the Public Service Commission on not less than fifteen (15) days' notice. Such statement can be found at the end of this Schedule (PSC 121 – Electricity).

19. Electric Delivery and Reliability Surcharge Mechanism (EDR)

Pursuant to the Commission's *Order Authorizing Recovery of Costs Associated with Stimulus Projects*, issued and effective July 27, 2009 in Case 09-E-0310, the Electric Delivery and Reliability Surcharge Mechanism (EDR) is designed to recover the balance of costs associated with projects that were approved by the Public Service Commission and received partial funding from the U.S. Department of Energy. The EDR shall recover the costs associated with such projects are placed in-service.

1. Calculation of:

The EDR shall consist of the revenue requirement for the approved projects plus reconciliation of the prior EDR; divided by the Company's forecast of sales for the twelve month period over which the surcharge will apply.

2. Applicable to:

Each customer bill for service under Service Classification Nos. 1, 2, and 3 will be increased by multiplying all kilowatt-hours delivered by the EDR; to be determined annually.

3. Reconciliation:

Each year, the Company will complete a reconciliation for the EDR. The Company will reconcile for difference between authorized surcharge amounts and actual collections. Any over- or under-collection will be deducted from or added to the subsequent EDR as described in Section 19.1 above.

A statement setting forth the projects, their associated capital and operating costs, and estimated in-service dates will be filed with the Commission on not less than fifteen (15) days' notice.

Issued in compliance with order in Case 09-E-0310 dated 07/27/09.

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