

PSC No: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: January 1, 2008

Leaf No. 18
Revision: 7
Superseding Revision: 6

GENERAL INFORMATION

3. Reserved for Future Use Surcharge to Collect Advanced Metering Infrastructure ("AMI") Costs: (Cont'd.)

Rate Base	=	AMI Capital Investments, net of Accumulated Book Depreciation, plus associated Materials & Supplies, Prepayments, Cash Working Capital and Accumulated Deferred Income Taxes.
Before Tax Cost of Capital	=	Weighted average after-tax cost of capital as determined in the Company's most recent rate case/settlement, with the equity component grossed-up for the level of federal and state income taxes applicable to the period for which the AMI surcharge will be effective.
Savings	=	Identifiable capital and operating cost savings realized as a result of the AMI investment. The return on the capital cost savings will be calculated using the same cost of capital listed above.
Reconciliation	=	Difference between the actual amount of AMI surcharge revenue received and the actual costs including return, net of savings resulting from the program, for the 12 months ended September 30 of the prior year.
Meters	=	Number of meters per service classification.

4. Surcharge to Collect System Benefits Charge ("SBC")

Each customer bill for service under Service Classification Nos. 1, 2, 3, 5, 6, 7, 8, 9, 11, 12, 13, and 14 will be increased by multiplying all kilowatt-hours delivered by a surcharge to be determined annually. The surcharge is imposed pursuant to Commission Order Continuing the System Benefits Charge (SBC) and the SBC-funded Public Benefit Programs, issued and effective December 21, 2005, in Case 05-M-0090. The surcharge will be calculated on an annual basis to collect the Corporation's allocated fund amount of \$21,709,150 based on year-by-year projections of the following year's electric sales. Any over or under-collections will be trued up on an annual basis. One-half the annual amount shall be collected during the first half of calendar year 2011. The surcharge will be effective with usage billed on and after July 1, 2006 through June 30, 2011.

5. Surcharge to Collect Renewable Portfolio Standard Charge ("RPS")

Each customer bill for service under Service Classification Nos. 1, 2, 3, 5, 6, 7, 8, 9, 11, 12, 13, and 14 will be increased by multiplying all kilowatt-hours delivered by a surcharge to be determined annually. The surcharge is imposed pursuant to Commission Order Regarding Retail Renewable Portfolio Standard, issued and effective September 24, 2004, in Case 03-E-0188. The surcharge will be calculated on an annual basis to collect the Corporation's allocated fund amount based on the Order and will be amended each October 1st. The surcharge will be effective with usage billed on and after October 1, 2005 through the term of the program. Any over- or under-collections will be trued up on an annual basis.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York