

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

Leaf No. 17
Revision: 2
Superseding Revision: 1

GENERAL INFORMATION

2. Submetering: (Cont'd)

Residential (Cont'd)

1. As a substitute for direct metering the submeterer shall certify to the Corporation that 70% of the shareholders voted in favor of the submetering proposal.
 2. As a substitute master metering the submeterer shall certify to the Corporation that more than 50% of the shareholders voted in favor of the submetering proposal.
- F. In residential cooperatives and condominiums, where one or more tenants are non-shareholders, the shareholder approved submetering may be permitted as a substitute for direct metering or master metering once the sub-meterer certifies to the Corporation that all non-shareholder tenants have approved a plan which includes, as set forth in sub-paragraph C.3, a rate cap of the Corporation's rate for directly metered residential service (and any excess revenue above the cap are used for purposes of energy conservation) and includes, as set forth in sub-paragraph C.4, grievance procedures.

Where one or more non-shareholder tenants refuse to approve the plan, submetering to such tenants shall be permitted only upon approval by the Commission of an application meeting the conditions set forth in sub-paragraphs C.1 through C.7.

3. Surcharge to Collect Advanced Metering Infrastructure ("AMI") Costs:

Effective January 1, 2008, and each January 1st thereafter, customer bills for service under Service Classification Nos. 1, 2, 3, 6, 7, 8, 9, 11, 12, 13 and 14 will be adjusted by a surcharge to the monthly Customer Charge for the cost of the AMI program, net of savings resulting from the program. An AMI Surcharge Statement setting forth the monthly AMI surcharge amounts by Service Classification will be filed annually with the Public Service Commission on not less than three (3) days' notice from the January 1 effective date of the revised charge.

The AMI Surcharge rates will be determined annually in accordance with the formula set forth below and will be based on projected costs and savings for the year that the rates will be in effect. The Surcharge rates will be adjusted, up or down, for any difference between the actual amount of 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. The surcharge rates effective 1/1/08 will include actual costs incurred through September 30, 2007.

AMI Surcharge = (Revenue Requirement + Reconciliation) / Meters

Revenue Requirement = Annual revenue requirement needed to recover AMI costs for each service classification, net of identifiable savings realized as a result of the AMI investment. (Expenses + Return - Savings)

Expenses = O&M Expenses, Book Depreciation and Operating Taxes

Return = Rate Base x Before Tax Cost of Capital

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