

PSC No: 120 - Electricity
New York State Electric and Gas Corporation
Initial Effective Date: January 1, 2007

Leaf No. 151
Revision: 2
Superseding Revision: 0

SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(j) Hourly Pricing - Voluntary (Cont'd.)

NYSEG Hourly Day-Ahead Market Pricing Option ("Hourly Pricing") (Cont'd.)

Electricity Capacity Charge: per month

The capacity and capacity reserves are specific to the customer. When hourly data is not available the appropriate service class profile will be used to determine the customer's capacity responsibility. A new capacity responsibility amount will be established for each customer each April. Customers new to Hourly Pricing that begin the service prior to April will be assigned their capacity responsibility based on their service class profile until the first April where the required hourly data is available.

Capacity Charge = UCAP Charge + Additional UCAP Charge

UCAP Charge = $((UCAP_{req} * L_c) * Reserve_{req}) * Price_{auc}$

UCAP_{req} = The customer specific demand that occurred at the time of the New York system peak of the prior year.
When the customer specific information is not available the appropriate service class profile information will be used.

L_c = Capacity Loss Factor of 1.0738

Reserve_{req} = Additional reserve requirement as required by NYISO.

Price_{auc} = Monthly NYISO auction price.

Additional UCAP Cost = $((UCAP_{req} * L_c) * AUCAP_{req}) * Price_{auc}$

UCAP_{req} = Described above.

L_c = See above.

AUCAP_{req} = Allocation of additional capacity requirement as required by the NYISO.

Price_{auc} = Monthly NYISO auction price.

In the event that NYSEG determines that it will incur an estimated gain or loss because purchases for these customers were made in the real-time market at prices differing from those in the day-ahead market, NYSEG will credit or recover the full amount of the estimated gain or loss through the Transition Charge from Hourly Pricing customers.

Issued in compliance with order in Case No. 03-E-0641 dated 04/24/06.

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