

PSC No: 120 - Electricity
New York State Electric and Gas Corporation
Initial Effective Date: February 1, 2006

Leaf No. 108.1
Revision: 0
Superseding Revision:

GENERAL INFORMATION

16. Customer Advantage Program - General Retail Access: (Cont'd.)

J. Consolidated Billing and Payment Processing

6. Account Separation Fee

In accordance with Section 9.C.4 of the UBP addendum to this schedule, an ESCO desiring to issue the Consolidated Bill for a customer with a Combination Account may request the Company to establish a separate account for the electric or gas service to be supplied by the ESCO. A fee of \$18.00 will be charged to the ESCO requesting establishment of a separate electric or gas account.

K. Purchase of ESCO Accounts Receivable Program (POR):

In accordance with the Joint Proposal on Purchase of Accounts Receivable ("POR JP") dated October 28, 2005, in Case 05-M-0453, as approved by the Public Service Commission's Order Adopting the Terms and Conditions of the Joint Proposal for the Purchase of Accounts Receivable, issued December 27, 2005, NYSEG will purchase accounts receivable at a discount and without recourse for commodity sales by ESCOs that provide commodity service in NYSEG's territory. For ESCOs' customers participated in consolidated billing as of February 1, 2006, NYSEG will also purchase those ESCOs' arrearages incurred on or before February 1, 2006, at a discount and without recourse.

Eligibility Requirements:

ESCOs that elect the Company's consolidated billing option for all or a portion of their customers will be required to sell their accounts receivable for such customers to NYSEG under the terms of the POR. ESCOs continue to have the right to issue their own bill using dual billing for all or a portion of their customers. Such ESCOs will be precluded from participating in the POR for customers receiving dual billing.

Purchase Price:

Electric accounts receivable will be purchased at a discount off face value of the ESCO receivable. The discount rate will be sufficient to compensate the Company for its financial risk in purchasing electric receivables, including, but not limited to, the level of NYSEG's uncollectibles.

The electric discount rate to be effective February 1, 2006 will be as set forth on Purchase of ESCO Accounts Receivable (POR) Discount Statement No. 1.

Thereafter, discount rates will be adjusted each year to reflect NYSEG's experience for uncollectible expense from the prior October through September period, using the methodology reflected in Appendix A to the POR JP. New annual discount rates will become effective January 1st of each respective year. The electric discount rate may be modified beginning January 1, 2007, based on the outcome of rate unbundling in the pending Electric Rate Plan Extension proceeding (Case 05-E-1222). A POR Discount (DISC) Statement setting forth the electric discount will be filed with the Public Service Commission on not less than three (3) days' notice prior to January 1 of each year.

Issued in compliance with order in Case 05-M-0453 dated 12/27/05.

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