

PSC No: 120 - Electricity  
New York State Electric & Gas Corporation  
Initial Effective Date: February 19, 2004

Leaf No. 92  
Revision: 1  
Superseding Revision: 0

#### GENERAL INFORMATION

16. General Retail Access: (Cont'd.)

E. ESCO or DC Participation: (Cont'd.)

3. Billing:

(a) ESCO/DC Reimbursement

- i. NYSEG may be making additional filings in the future which would impact reimbursement made to ESCOs/DCs. The ESCO/DC will be billed by the NYISO in accordance with the NYISO Tariffs. And, because NYSEG Program tariff leaves are being filed with the FERC, certain components of this ESCO/DC reimbursement methodology may be subject to FERC acceptance or approval.
- ii. NYSEG's reimbursement methodology incorporates only those costs ESCOs/DCs incur as a result of providing service to retail customers pursuant to NYSEG's Program. NYSEG will reimburse ESCOs/DCs for certain NYISO Ancillary Services, as more particularly described below, and NYPA Transmission Access Charges ("NTAC").
- iii. Ancillary Services: NYSEG will reimburse ESCOs/DCs for the following NYISO Ancillary Services: (a) Scheduling, System Control and Dispatch ("Schedule 1"); (b) Reactive Supply and Voltage Control ("Schedule 2"); (c) Regulation and Frequency Response ("Schedule 3"); (d) Operating Reserve, Spinning Reserve and Supplemental Reserve ("Schedule 5"); and (e) Black Start ("Schedule 6"). NYSEG will not be issuing reimbursement for Energy Imbalance Service ("Schedule 4").

Issued in compliance with orders in Case 98-M-1343 dated 11/21/2003 and Cases 99-M-0631 and 03-M-0117 dated 12/19/2003.

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