

PSC NO: 90 GAS
NEW YORK STATE ELECTRIC & GAS CORPORATION
Initial Effective Date: February 4, 2004

Leaf: 90.1
Revision: 4
Superseding Revision: 3

GENERAL INFORMATION

14. GAS SUPPLY CHARGE (GSC): (CONT'D)

B. Monthly GSC Calculation: (Cont'd)

- (3) Each monthly GSC will be the sum of the Total Average Cost of Gas, the Supplier Refund Adjustment, the Research and Development (R&D) Adjustment, the Annual Reconciliation Adjustment, the Interim Reconciliation Adjustment and other PSC approved adjustments.

C. The Total Average Cost of Gas is: (1) the sum of: (a) the Average Demand Cost of Gas and the Gas Cost Savings Adjustments attributable to demand costs multiplied by the Load Factor Adjustment (LFA), (b) the Average Commodity Cost of gas, and (c) the Gas Cost Savings Adjustments attributable to commodity costs; multiplied by the Factor of Adjustment (FA); plus (2) the Merchant Function Charge (MFC).

- (1) The Average Demand Cost of Gas shall be determined by applying the expected rates and charges of transporters, storage providers, and suppliers to the associated annualized billing determinants associated with transportation capacity, storage capacity and supply reservation for the period during which the GSC is to be effective;
- (a) Plus other supplier charges;
 - (b) Less Standby Demand Charges received pursuant to Service Classification No. 6 of PSC No. 87 Gas, or superseding issues thereof;
 - (c) Less Monthly Charges pursuant to Service Classification No. 17 of PSC No. 88 Gas, or superseding issues thereof;
 - (d) Less Monthly Charges pursuant to Service Classification No. 11 of PSC No. 88 Gas, or superseding issues thereof;
 - (e) Less demand charges associated with customers reserving sales status;
 - (f) Plus/minus applicable fixed risk management costs;
 - (g) Less revenue associated with the Capacity Component and the Reliability Surcharge Component of the TS, as set forth in General Information Section 16 of this Schedule; and then

Issued in compliance with order in Case 01-G-1668 dated September 23, 2003.

Issued by: James A. Lahtinen, Vice President - Rates & Regulatory Economics, Binghamton, NY