

PSC No: 120 - Electricity  
New York State Electric and Gas Corporation  
Initial Effective Date: December 1, 2003

Leaf No. 92  
Revision: 0  
Superseding Revision:

#### GENERAL INFORMATION

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

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

8. Billing: (Cont'd.)

(i) Other Charges to ESCOs/DCs From NYSEG (Cont'd)

Other rates and charges approved by the PSC and set forth in NYSEG's tariff, including, but not limited to, transportation or distribution rates, miscellaneous surcharges and taxes.

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