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COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 2  
INITIAL EFFECTIVE DATE: 12/01/02 SUPERSEDING REVISION: 1  
STAMPS: Issued in compliance with Commission order in Case 01-G-1668 dated 11/  
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### GENERAL INFORMATION

#### 15. BILL MITIGATION PLAN: (CONT'D)

##### C. Collection and Deferral of Mitigation Amounts:

- (1) The Company will offset the Mitigation Amounts for October and November 2002 by the Deferred Credits. Any remaining balance of Deferred Credits will continue to offset the Mitigation Amounts until such Deferred Credits are exhausted.
- (2) The Company will defer on its books the Mitigation Amounts for December 2002 through May 2003 or September 2003, as appropriate (*i.e.*, the Mitigation Deferral). The Mitigation Deferral will be calculated separately for each RA.
- (3) Interest will be accrued on the balance of the Mitigation Deferral for each RA at the Other Customer-Supplied Capital Rate from December 1, 2002 until it is fully recovered.

##### D. Recovery of Mitigation Deferrals:

- (1) A Mitigation Adjustment for each RA will be calculated by dividing the Mitigation Deferral by the applicable forecasted therms for the 12-month period starting the month after the completion of the phase-in of the market-based GSC.
- (2) The Mitigation Adjustment will be applied beginning the first month after the completion of the phase-in on a volumetric basis in each RA.
- (3) In the event the Mitigation Adjustment exceeds \$0.04/therm, it will be designed to recover the remaining Mitigation Deferral over a period up to twenty-four (24) months.

##### E. Bill Format:

- (1) The gas supply section of SC-01S customers' bills, beginning in December 2002, will be calculated using the market-based GSC applicable to each RA.
- (2) A credit will be applied to the Transition Surcharge (TS) line item under the gas delivery section of SC-01S and SC-13T customers' bills. For each RA, the amount of the credit each month shall be equal to the Mitigation Rate for that RA for that month.

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(Name of Officer, Title, Address)