

..DID: 21006
 ..TXT: PSC NO: 90 GAS LEAF: 90.7
 COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 0
 INITIAL EFFECTIVE DATE: 12/01/02 SUPERSEDING REVISION:
 STAMPS: Issued in compliance with Commission order in Case 01-G-1668 dated 11/
 Cancelled by 1 Rev. Leaf No. 90.7 Effective 02/01/2003
 RECEIVED: 11/26/02 STATUS: Cancelled EFFECTIVE: 12/01/02

GENERAL INFORMATION

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

C. (6) Merchant Function Charge (MFC): (Cont'd)

- (a) Gas Supply Uncollectibles will be calculated annually based on the expected GSC revenues times the actual uncollectible percentage experienced by the Company.
- (b) Gas Inventory Carrying Charges will be based on a rolling twelve-month average gas inventory balance and will be calculated based on an annual pre-tax rate of return, using the actual common equity ratio or forty-five percent (45%), whichever is less, and a return on equity of ten and one-half percent (10.5%).
- (c) Administrative and General Expenses of \$411,000 annually, which will be updated annually for wages and benefits.
- (d) An Adder of \$297,464 annually.
- (e) The Merchant Function Charge will be a separate line item on the Customer bill.

D. Supplier Refund Adjustment:

- (1) The Company shall refund to customers any refund, including applicable interest on any unrefunded balance received, from a supplier.
- (2) The Supplier Refund Adjustment will be calculated by dividing applicable supplier refunds by annual forecasted firm sales.
- (3) In lieu of immediately applying any supplier refund, the Company may accumulate such refunds, with applicable interest, to be accounted for during the annual reconciliation. With PSC approval, accumulated refunds may be returned at any time preceding the annual reconciliation.

E. Research and Development (R&D) Adjustment:

- (1) Customers in all areas will also be charged the applicable Research and Development (R&D) Adjustment pursuant to General Information Section 18 of this Schedule, for all Therm use.

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

(Name of Officer, Title, Address)