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..TXT: PSC NO: 90 GAS LEAF: 90.8  
COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 1  
INITIAL EFFECTIVE DATE: 02/01/03 SUPERSEDING REVISION: 0  
STAMPS: Issued in compliance with Commission order in Case 01-G-1668 dated 11/  
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### GENERAL INFORMATION

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

##### F. Annual Reconciliation Adjustment:

- (1) GSC recoveries will be reconciled with actual gas supply expenses on an annual basis. The Annual Reconciliation Adjustment will be determined by comparing gas supply expenses to GSC recoveries. The Annual Reconciliation will reflect the applicable fixed factor of adjustment. The Annual Reconciliation Adjustment will be positive (a surcharge) when gas supply expense exceeds GSC recoveries. The Annual Reconciliation Adjustment will be negative (a refund) when GSC recoveries exceed gas supply expenses. The adjustment will be determined as follows:
  - (a) The gas supply expense is the actual cost of gas incurred during the applicable period as described in General Information Section 14.C. through 14.E. of this schedule;
    - (i) Less the previous year's overcollection including interest, to the extent not refunded;
    - (ii) Plus the previous year's undercollection including interest, to the extent not recovered.
  - (b) The annual reconciliation will exclude the shareholder portion of Gas Cost Savings described in Section 14.C.
  - (c) The annual reconciliation will exclude the customer portion of GCIM and IRM savings described in Section 14.C. that are used to recover Deferred Gas Cost and/or fund the affordable energy program.
  - (d) The Annual Reconciliation Adjustment is then calculated by dividing the gas supply expense, less GSC recoveries, by the forecasted firm sales quantities for the surcharge/refund period.
- (2) The Annual Reconciliation Adjustment will include simple interest, as prescribed from time to time by the PSC, on any unamortized surcharge or refund balance.
- (3) The annual reconciliation period will be the twelve (12) months ended August 31 of each year. The annual reconciliation shall be filed with the PSC on or before October 15 of each year. The GSC annual surcharge/refund will be effective with the GSC statement effective on January 1.

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

(Name of Officer, Title, Address)