

Effective Date: 07/21/2016

PSC NO: 121 ELECTRICITY
 NEW YORK STATE ELECTRIC & GAS CORPORATION
 Initial Effective Date: 06/19/15

Leaf: 14.2
 Revision: 1
 Superseding Revision: 0

GENERAL INFORMATION

20. Reliability Support Services (RSS) Surcharge (Cont'd)

- E. Net RSS costs incurred by the Company prior to March 1, 2013, shall be deferred and shall include carrying charges at the applicable other customer deposit rate. These deferred costs shall be included in the RSS surcharge commencing March 1, 2013. Net RSS costs incurred by the Company for the period beginning March 1, 2013 and subsequent thereto shall be assessed on a forecast basis and recovered from customers on a current basis.
- F. The RSS surcharge revenues and costs shall be reconciled on a monthly basis. The RSS surcharge collected from customers shall be subject to an annual reconciliation for any over- or under-collections from the previous year. The RSS reconciliation over- or under- collections shall be credited or surcharged to customers, which shall include interest at the applicable other customer deposit rate.
- G. A RSS surcharge Statement setting forth the surcharges by service classification shall be filed with the Public Service Commission on not less than three days' notice. The RSS surcharge may be reset on a monthly basis. Such statement can be found at the end of this Schedule (PSC No. 121 – Electricity).

21. Revenue Decoupling Mechanism Adjustment ("RDM")

All customers taking service shall be subject to an RDM adjustment as set forth in Rule 7 of P.S.C. No. 120 – Electric. An RDM Statement setting forth the rate adjustment will be filed with the Public Service Commission on not less than 30-days' notice to be effective November 1. Should the Company file an interim RDM Adjustment as described in Rule 7 of P.S.C. No. 120, such filing will occur on not less than (10-days' notice. Such statement can be found at the end of this Schedule.

22. Rate Adjustment Mechanism ("RAM")

1. Applicable To:

The RAM shall be applied per kWh to all kWh delivered under Service Classification Nos. 1, 2, 3 and 4.

2. Calculation:

- a. At the end of each calendar year, the Company shall examine its deferred costs, reserve balances and reliability revenue adjustments.
- b. If the Company's major storm balance exceeds \$10 million, a Rate Adjustment Mechanism ("RAM") shall be implemented on July 1 the following calendar year.
- c. For all other regulatory assets and liabilities, if the combination of the Company's deferred and reserve balances exceeds \$10 million, positive or negative, a Rate Adjustment Mechanism ("RAM") shall be implemented on July 1 the following calendar year.
- d. The impact of the RAM shall be limited to 10% of the Company's delivery revenues. Any remaining balance would continue to be deferred and roll forward to the following calendar year's calculation.

- 3. A RAM statement setting forth the Rate Adjustment Mechanism shall be filed with the Public Service Commission on not less than 30-day's notice to be effective July 1. Such statement can be found at the end of this Schedule.

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