

GENERAL INFORMATION

15 . Reserved for Future Use.

16. TRANSITION SURCHARGE (TS):

Except as noted below, the TS is applicable to the following:

PSC 87 Sales:

- SC 1 - Residential Service
- SC 2 - General Service
- SC 5 - Seasonal Gas Cooling Service
- SC 8 - Firm Sales To Large General Service
- SC 9 - Industrial Manufacturing and Processing
- SC 10 - Non-Residential Distributed Generation Firm Sales Service
- SC 11 - Residential Distributed Generation Firm Sales Service

PSC 88 Transportation:

- SC 1 - Firm Transportation Service
- SC 4 - Large Firm Transportation Service
- SC 5 - Small Firm Transportation Service
- SC 13 - Residential Firm Aggregation Transportation Service
- SC 14 - Non-Residential Firm Aggregation Transportation Service
- SC 16 - Non-Residential Distributed Generation Firm Transportation Service
- SC 19 - Residential Distributed Generation Firm Aggregation Transportation Service

A statement of the Transition Surcharge (TS) will be filed with the PSC no later than three (3) days before its effective date.

..DID:
..TXT: PSC NO: 90 GAS LEAF: 96
COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 1
INITIAL EFFECTIVE DATE: 12/01/02 SUPERSEDING REVISION: 0
STAMPS: Issued in compliance with Commission order in Case 01-G-1668 dated 11/20/02.

RECEIVED: STATUS: EFFECTIVE: 12/01/02

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16. TRANSITION SURCHARGE: (CONT'D)

The TS will reflect the following:

A. Capacity Component: The recovery of costs incurred by the Company as a result of Customer migration from sales service to transportation service.

(1) The capacity costs to be recovered are calculated as follows:

(a) The portion of capacity costs (\$cap) associated with customers that have switched from sales to transportation service after April 1, 1999 or who have had capacity assigned but are no longer taking such assignment, should be calculated as follows:

$$\$cap = MA_\$cap + SA_\$cap$$

where,

MA_\$cap = Market Area stranded capacity costs

SA_\$cap = Supply Area stranded capacity costs

(b) $MA_\$cap = [(tcap - MA_ucapD - MA_fgrow) / (ucap - MA_ucapD)] * [MA_ucap\$ - MA_ucapD\$]$

where,

tcap = amount of capacity associated with customers using their own capacity to bring gas to the citygate (dt).

MA_ucapD = the Company's market area pipeline capacity that has been de-contracted due to customer migration from sales to transportation (dt).

MA_fgrow = the amount of tcap used to meet growth in the Company's firm sales load (dt).

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16. TRANSITION SURCHARGE: (CONT'D)

A. Capacity Component: (Cont'd)

(1) The capacity costs to be recovered are calculated as follows: (Cont'd)

(b) (Cont'd)

Ucap = total utility upstream pipeline capacity (dt).

MA_ucap\$ = utility upstream market area capacity costs (\$).

MA_ucapD\$ = utility market area capacity costs that have been decontracted (\$).

(c) $SA_\$cap = [(tcap - SA_ucapD - SA_fgrow) / (ucap - SA_ucapD)] * [SA_ucap\$ - SA_ucapD\$]$

where,

tcap = amount of capacity associated with customers using their own capacity to bring gas to the citygate (dt).

SA_ucapD = the Company's supply area pipeline capacity that has been de-contracted due to customer migration from sales to transportation (dt).

SA_fgrow = the amount of tcap used to meet growth in the Company's design day firm sales load (dt).

Ucap = total utility upstream pipeline capacity (dt).

SA_ucap\$ = utility upstream supply area capacity costs (\$).

SA_ucapD\$ = utility supply area capacity costs that have been decontracted (\$).

PSC NO: 90 GAS
NEW YORK STATE ELECTRIC & GAS CORPORATION
INITIAL EFFECTIVE DATE: 08/12/16
Issued in compliance with Order in Case 15-G-0284, dated June 15, 2016.

LEAF: 97.1
REVISION: 2
SUPERSEDING REVISION: 1

GENERAL INFORMATION

16. TRANSITION SURCHARGE: (CONT'D)

A. Capacity Component: (Cont'd)

- (1) The capacity costs to be recovered are calculated as follows: (Cont'd)
 - (d) The \$cap is then reduced by 100% of the savings derived from capacity release attributable to customers migrating from firm sales service to transportation service on or after November 2, 1995.

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16. TRANSITION SURCHARGE (TS):

A. Capacity Component: (Cont'd)

- (2) The Capacity Component of the TS shall not be applicable to customers in Service Classification Nos. 1, and 5 of P.S.C. No. 88 Gas, or superseding issues thereof, initiating service on or before November 2, 1995. However, a customer that: (1) elects Standby Sales Service under Service Classification No. 6 of P.S.C. No. 87 Gas or superseding issues thereof; or (2) reserves their "Sales Customer Status" shall be charged the applicable TS regardless of service date. Also, a customer electing less than full Standby Sales Service shall be charged a prorated TS based on the ratio of Standby Sales Service to MDTQ.

- B. Heater Charge: The recovery of Heater Charges pursuant to Appendix F of the Company's February 19, 2016 Joint Proposal, as approved by the PSC in its June 15, 2016 Order issued in Cases 15-E-0283, 15-G-0284, 15-E-0285, and 15-G-0286.

GENERAL INFORMATION

16. TRANSITION SURCHARGE (TS): (Cont'd.)

C. Reliability Surcharge Component: The recovery of the Reliability Surcharge pursuant to Section IX.3.c. (i) of the Company's August 8, 2003 Phase 2A Joint Proposal, as approved by the PSC in its September 23, 2003 order issued in Case 01-G-1668. The Reliability Surcharge recovers the costs associated with upstream reliability capacity retained for each GSA. The capacity requirements shall be adjusted annually for design day and typical peak day requirements, including growth on the system.

- (1) This component of the TS shall only be applicable to non-daily metered service pursuant to:
 - (a) Service Classification Nos. 1, 2, 8 and 9 of P.S.C. No. 87 Gas, or superseding issues thereof.
 - (b) Service Classification Nos. 13 and 14 of P.S.C. No. 88 Gas, or superseding issues thereof.
- (2) The costs to be recovered through the reliability surcharge component shall be reduced by a proportionate share of revenues associated with the applicable share of non-migration capacity release, net off-system sales revenue and Pipeline Refunds related to services used in the derivation of the surcharge.
- (3) On or before September 30 of each year, beginning with 2004, the Company shall provide a report to the Director of the Office of Gas and Water that includes the calculation for the projected year's capacity requirements, a statement of the changes from the previous year, an explanation of the reason(s) or basis for the changes, and all associated workpapers. Copies of this report shall be contemporaneously provided to marketers operating in the Company's gas service territory and any other interested party that specifically requests it.
- (4) The calculation of storage inventory working capital carrying costs included in the gas reliability surcharge shall be consistent with the storage inventory carrying cost calculation described in General Information Section 14.C.6.ii.e.

D. Late Payment Charge and Other Waived Fees ("LPCO") Surcharge

The Late Payment Charge and Other Waived Fees ("LPCO") Surcharge shall recover the late payment charges and other waived fees in accordance with the Commission's Order issued in Case 22-M-0119.

1. Applicable to:

The LPCO Surcharge shall be applicable to all customers taking gas delivery service. Service Classification Nos. 1, 2, and 5 of P.S.C. No. 87 Gas and Service Classification Nos 1, 5, 7, 13, 14 and 16 of P.S.C. No. 88 Gas.

E. Other Components: The Transition Surcharge shall include other components as applicable:

- (1) System Performance Adjustment
- (2) Pipeline Refund