

HOURLY PRICING PROGRAM OVERVIEW

Topics

- Hourly Pricing Introduction
- Understanding Hourly Pricing
- Metering & Telecommunication Requirements
- Billing Overview
- Energy Profiler Online

HOURLY PRICING INTRODUCTION

Hourly Pricing

- On September 23, 2005 the PSC issued Order 03-E-0641 requiring utilities to implement Mandatory Hourly Pricing. On January 1, 2007 NYSEG implemented hourly pricing for customers with a demand of 1,000 kilowatts (kW) or greater.
- Effective August 29, 2007 the PSC issued an order for NYSEG's commodity program, which included provisions to expand hourly pricing as follows:
 - January 1, 2008 – customers with billed demands of 500 kW or greater
 - January 1, 2009 – customers with billed demands of 400 kW or greater
 - January 1, 2010 – customers with billed demands of 300 kW or greater

Hourly Pricing

- The goal in implementing hourly pricing is to realize the benefits of reducing the system peak demand and shifting load to off-peak, less expensive time periods.
- The benefits for customers include potential reductions to peak period prices, enhanced reliability and a reduction in NY State's dependence on natural gas fired generation.

Hourly Pricing - Customer Value

- Hourly pricing may provide customer value
 - Enables customers to realize benefits of:
 - Shifting Loads
 - Reduced Peaks
 - Paying Actual Market Costs
- Allows Customers to manage ***Energy Cost.***

Hourly Pricing

Promotes Customer Awareness

- Paying hourly prices increases customer awareness of the electric and gas energy environment
- Customers must have an understanding of their facility operation and other outside factors such as:
 - Energy Profile
 - Demand Requirements
 - Weather
 - Major Events
 - Electric, Gas and Oil Issue's

Who is Affected and When

- Customers with a billing demand of 300 kilowatts (kW) or greater for 2 out of 12 months are subject to the hourly pricing tariff provisions.
- Only kW use on or after Sept 1, 2008 will be used to determine qualification.
- Customers with an economic incentive that began prior to January 1, 2007 are exempt.
- Customers with a New York Power Authority (NYPA) allocation that was effective prior to January 1, 2007 are exempt.

Who is Affected and When

- Program qualification will be determined in the September 2008 – August 2009 period.
- NYSEG will send a letter to customers that meet the 300 kW qualification threshold.
- Hourly pricing will be effective with your first meter read in January 2010. For example, if you meter is read the 15th of each month, the first hourly pricing bill will be for the period January 15, 2010 – February 15, 2010.

UNDERSTANDING HOURLY PRICING

What Determines Hourly Pricing?

Hourly Pricing is based on the NYISO Day-Ahead Market and is influenced by factors such as fuel costs, generation availability, and weather.

- ❑ New York Independent System Operator (NYISO)
 - Provides for the economic dispatch of generation
 - Operates the bulk transmission system
- ❑ Fuel drives cost
 - Fossil fuels - Oil, Natural gas, Coal
 - Hydro power

Hourly Pricing Components

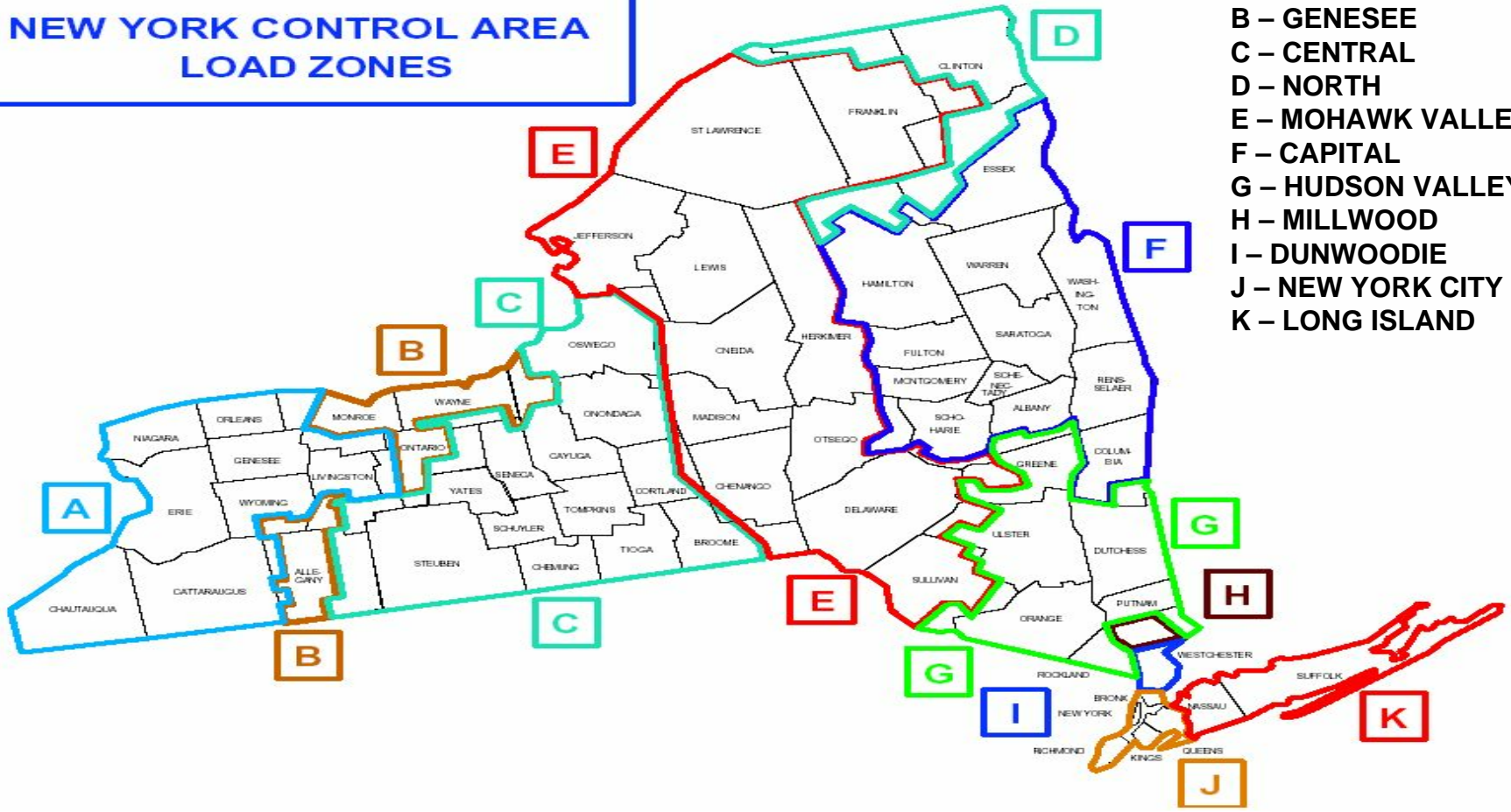
- The hourly price includes the following components:
 - Day Ahead Market (DAM) price for the NYISO Zone which the customer is electrically feed from (see next slide)
 - DAM prices – actual price per hr times usage for that hr times Zone
 - Distribution and Transmission Losses
 - Capacity Charges

NYISO Zone Map

Zones

- A – WEST
- B – GENESEE
- C – CENTRAL
- D – NORTH
- E – MOHAWK VALLEY
- F – CAPITAL
- G – HUDSON VALLEY
- H – MILLWOOD
- I – DUNWOODIE
- J – NEW YORK CITY
- K – LONG ISLAND

NEW YORK CONTROL AREA
LOAD ZONES



Day-Ahead Pricing Data at nyiso.com

Company Newsroom Products **Market Data** Services Documents Committees

Market Data Exchange

Pricing Data Power Grid Data Load Data Reports/Info Zone Maps Graphs Market Access

- Day-Ahead Market LBMP**
 - [Zonal](#)
 - [Generator](#)
 - [Reference Bus](#)
- Real-Time Market LBMP**
 - [Zonal](#)
 - [Generator](#)
- Time Weighted/Integrated Real-Time LBMP**
 - [Zonal](#)
 - [Generator](#)
 - [Reference Bus](#)
- Balancing Market (Hour-Ahead) Advisory Prices**
 - [Zonal](#)
 - [Generator](#)
 - [Reference Bus](#)
- Ancillary Services**
 - [Day-Ahead Market](#)
 - [Hour-Ahead Market](#)
 - [Real-Time Market](#)

[Price Correction Logs](#)
[TSC & NTAC Rates](#)

[Notice of LIPA Discounted TSC Rate](#)
[Rate Schedule 1](#)
[Rate Schedule 2](#)

Day-Ahead Market LBMP - Zonal

Note 1: Dates with corrected prices are displayed with green links. Updates for both missing data and presentation are displayed with an orange link.

Note 2: Updated historical LBMPs have been posted in the archived files section.

Date	CSV	HTML	PDF	Last Updated
09-04-2007	Download CSV	Download HTML	Download PDF	09/03/07 09:52 EDT
09-03-2007	Download CSV	Download HTML	Download PDF	09/02/07 09:52 EDT
09-02-2007	Download CSV	Download HTML	Download PDF	09/01/07 09:53 EDT
09-01-2007	Download CSV	Download HTML	Download PDF	08/31/07 09:51 EDT
08-31-2007	Download CSV	Download HTML	Download PDF	08/30/07 09:52 EDT
08-30-2007	Download CSV	Download HTML	Download PDF	08/29/07 09:53 EDT
08-29-2007	Download CSV	Download HTML	Download PDF	08/28/07 09:50 EDT
08-28-2007	Download CSV	Download HTML	Download PDF	08/27/07 09:55 EDT
08-27-2007	Download CSV	Download HTML	Download PDF	08/26/07 09:52 EDT
08-26-2007	Download CSV	Download HTML	Download PDF	08/25/07 09:52 EDT

[Go To Archived Files \(Zip Format\)](#)

Custom Report

Start Date: End Date: Version: Latest All Corrected

Choose Zone(s):
CAPITL
DUNWOD
GENESE
H Q
HUD VL
LONGIL
MHK VL
MILLWD
N.Y.C.
NORTH

Zone(s) Added:
CENTRL

Display Data As:
Choose the format you want the queried data to appear as:
 CSV HTML PDF

Day-Ahead Zonal Price

Day Ahead Market Zonal LBMP

Zonal Prices		Date: 09/04/2007																							
		--- LBMP \$					--- Marginal Cost of Losses					--- Marginal Cost of Congestion													
Name	PTID	00:00	01:00	02:00	03:00	04:00	05:00	06:00	07:00	08:00	09:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00	23:00
		EDT	EDT	EDT	EDT	EDT	EDT	EDT	EDT	EDT	EDT	EDT	EDT	EDT	EDT	EDT	EDT	EDT	EDT	EDT	EDT	EDT	EDT	EDT	EDT
CAPITL 61757		41.44	35.88	32.76	31.61	32.67	37.07	44.70	51.64	53.69	58.67	64.50	64.32	65.45	73.49	67.64	72.67	75.57	69.10	63.71	65.92	66.79	63.20	50.34	42.62
		2.31	1.97	1.80	1.70	1.73	2.03	2.57	3.11	2.99	2.95	3.30	2.59	2.69	3.10	2.65	2.71	2.61	2.76	2.85	3.20	3.00	2.66	1.98	1.60
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.02	-0.17	-0.05	-0.34	-0.41	-0.48	-0.61	-0.13	0.00	0.00	0.00	0.00	0.00
CENTRL 61754		37.68	32.69	29.88	28.92	29.95	33.78	40.61	46.98	49.38	54.49	59.91	60.41	61.34	69.22	63.56	68.43	71.39	64.55	59.51	61.41	62.39	59.27	47.29	39.71
		-1.45	-1.22	-1.08	-0.99	-0.99	-1.26	-1.52	-1.55	-1.32	-1.23	-1.29	-1.30	-1.25	-1.13	-1.10	-1.11	-1.09	-1.18	-1.21	-1.32	-1.40	-1.27	-1.06	-1.31
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DUNWOD 61760		42.15	36.42	32.98	31.76	32.80	37.35	45.29	52.66	55.42	60.90	67.20	68.59	73.82	79.13	81.13	88.43	89.39	84.67	69.80	69.37	70.49	66.41	52.80	44.43
		3.01	2.51	2.01	1.85	1.86	2.31	3.16	4.13	4.72	5.18	6.00	6.36	6.38	7.25	6.66	7.02	7.47	6.90	6.50	6.65	6.70	5.87	4.45	3.41
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.52	-4.84	-1.54	-9.81	-11.86	-9.45	-12.03	-2.58	0.00	0.00	0.00	0.00	0.00
GENESE 61753		36.59	32.01	29.35	28.44	29.52	33.08	39.22	45.33	48.22	53.55	59.06	59.42	60.34	68.17	62.65	67.53	70.52	63.63	58.47	60.34	61.17	58.24	46.42	38.40
		-2.54	-1.90	-1.61	-1.47	-1.42	-1.96	-2.91	-3.20	-2.48	-2.17	-2.14	-2.28	-2.25	-2.18	-2.00	-2.02	-1.96	-2.10	-2.25	-2.38	-2.62	-2.30	-1.93	-2.63
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Hourly Pricing Component Definitions

■ **Distribution & Transmission Losses**

- Commodity losses that occur as electricity is transported through power lines and substations.

■ **Capacity Charge**

- Capacity procurement is required to ensure there is adequate generation to serve the entire load in New York State. Each load serving entity is required to procure capacity for their customers.
- Each customer must pay for the capacity required to serve their load on a peak day.

METERING AND TELECOMMUNICATION REQUIREMENTS

Metering & Telecommunications Requirements

- All customers subject to hourly pricing will be required to have a hourly pricing capable meter that is capable of recording hourly use data and a telephone line, regardless of who their supplier is.
- NYSEG will install the required interval meter. There is a \$7.07 per month charge for this meter unless the customer has already paid for a hourly pricing compatible meter under another NYSEG program.
- The customer will be required to install a telephone line if one is not already connected to the meter.
- The monthly telephone charges are the customer's responsibility.

Metering & Telecommunications Requirements

- **What happens if a telephone line is not installed to the meter?**
 - NYSEG will have to manually download the hourly use data.
 - The customer will be charged a fee of \$78.43 each billing period that NYSEG must manually download the data due to the telephone line not being installed or not functioning. This charge will appear as a separate line item on the bill.

Metering & Telecommunications Requirements

- A telephone line is required for the following reasons:
 - Meters will be read daily
 - Load forecasting and scheduling

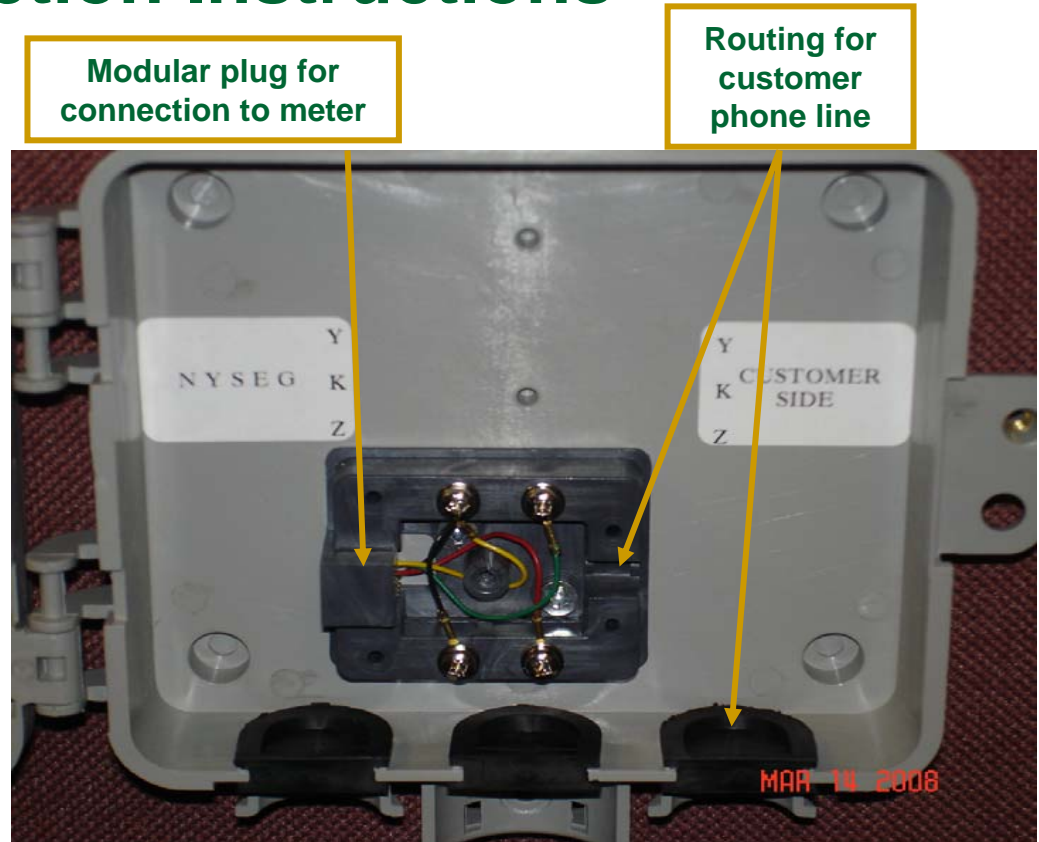
Telephone Connection Instructions

NYSEG will install a demarcation box as shown on the right. This will normally be done when the meter is exchanged.

Connection Instructions

1. Open the demarcation box.
2. Remove the cover from the telephone jack.
3. Feed the telephone line through the access hole on the customer side.
4. Connect the telephone wires to the connection in the jack (red to red, green to green, etc).
5. Replace the telephone jack cover.
6. Close the demarcation box door and tighten the screw.

When the telephone line has been installed please register the telephone number at www.nyseg.com/YourBusiness/HourlyPricing.html



Please note that it is the customer's responsibility to insure the incoming telephone line is connected to the customer side of the NYSEG demarcation box.

In some instances, the telephone company will install their own demarcation box. The customer must then run a wire from the customer side of the telephone demarcation box to the customer side of the NYSEG demarcation box. In other instances, the telephone company will attach a telephone wire next to the NYSEG demarcation box. The customer must then attach the wire to the customer side of the NYSEG demarcation box.

Prior to contacting NYSEG with the telephone number for the meter, the customer should check the phone line for proper connection. Call the meter phone number. You should hear a clear and audible tone similar to a fax within two rings. If the test is unsuccessful, it is likely there are issues with the phone channel. Either check to make sure the connection has been made properly or contact your contractor or phone company to repair the circuit, and then retest. After a successful test, register the number at the website above.

BILLING OVERVIEW

Billing Overview

- Delivery & Customer Charges – will continue to be billed as they are currently.
- Monthly Meter Charge - \$7.07 per month
 - Customers that already have an hourly pricing compatible meter will be exempt from this charge.
 - Customers that do not currently have an hourly pricing compatible meter will be subject to this charge.

Billing Overview

■ Supply Charges

- ❑ The bill will show total kilowatt hours (kWh) supplied and the total price.
- ❑ Hourly kWh use and prices will be available on the utility website at the time the bill is issued.
- ❑ ESCO supply charges will continue to be billed as they are currently.

Bill Example



Account Number: [REDACTED]
 Statement Date: August 08, 2007

1108

Service Address:
 NYSEG DETAILED ACCOUNT ACTIVITY

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Electricity Service - Nonresidential Time-of-Use
 Electricity Rate - 120072 Hourly Variable Price

Service from: 07/07/07 - 08/06/07
 PoD ID: [REDACTED]

On Peak	236301 kwh	31 days
On Peak	1020.96 kw	31 days
Off Peak	200383 kwh	31 days
Off Peak	1009.28 kw	31 days
Reactive	286800 rkvah	31 days

Electricity Delivery Charges

Basic service charge					185.88
Bill issuance charge					0.89
Meter charge					5.80
Meter service charge					8.83
Meter data service charge					8.80
Hourly meter charge					7.07
Demand charge	1020.9600	kw	@	7.50	7,657.20
On-peak delivery charge	236301	kwh	@	0.00262	619.11
Off-peak delivery charge	200383	kwh	@	0.00262	525.00
Transition charge	436884	kwh	@	0.01537677	6,714.79
Reactive charge	141239	rkvah	@	0.00095	134.18
SBC/RPS charge	436884	kwh	@	0.0019	829.70
Subtotal Electricity Delivery					\$16,697.05

Electricity Supply Charges

Merchant function charge	436884	kwh	@	0.0012	524.02
Supply charge	436884	kwh	@	0.06469323	28,250.50
Capacity charge	945.5000	kw	@	3.74517187	3,541.06
Subtotal Electricity Supply					\$32,315.58
Total Electricity Cost					\$49,012.63
Total Energy Charges					\$49,012.63

Bill Example – Delivery Charges

Electricity Delivery Charges

Basic service charge					185.88
Bill issuance charge					0.89
Meter charge					5.80
Meter service charge					8.83
Meter data service charge					8.60
Hourly meter charge					7.07
Demand charge	1020.9600	kw	@	7.50	7,657.20
On-peak delivery charge	236301	kwh	@	0.00262	619.11
Off-peak delivery charge	200383	kwh	@	0.00262	525.00
Transition charge	436684	kwh	@	0.01537677	6,714.79
Reactive charge	141239	rkvah	@	0.00095	134.18
SBC/RPS charge	436684	kwh	@	0.0019	829.70
Subtotal Electricity Delivery					\$16,697.05

Electricity delivery charges are not affected by hourly pricing other than the hourly meter charge.

Bill Example – Supply Charges

Electricity Supply Charges

Merchant function charge	436684	kwh	@	0.0012	524.02
Supply charge	436684	kwh	@	0.06469323	28,250.50
Capacity charge	945.5000	kw	@	3.74517187	3,541.06
Subtotal Electricity Supply					\$32,315.58

Supply Charge

The cost per kwh is equal to the sum of each hour's use multiplied by each hour's price (including losses) for the billing period divided by the total kwh for the billing period.

Capacity Charge

The capacity charge for hourly pricing customers is unbundled from the supply charge. For customers not subject to hourly pricing the capacity charge is a component of the supply charge.

The capacity kw is equal to the customer's kw use for the hour coinciding with the New York State peak demand for the May - April period. The capacity kw changes every May 1st.

The cost per kw varies on a monthly basis.

Hourly Use and Pricing Summary

This information is not shown on your monthly bill. To access the hourly use and pricing detail the customer must access their account online at nyseg.com.

Date	Units	00:00	01:00	02:00	03:00	04:00	05:00	06:00	07:00	08:00	09:00	10:00	11:00	12:00
07/27/2007	kwh	1115.68	1118.96	1115.2	1086	1090.56	1166.96	1244.4	1422.4	1557.28	1594	1556.24	1548.8	1604.88
	\$/kwh	0.04849	0.04109	0.04055	0.03873	0.03874	0.03949	0.04199	0.05011	0.05621	0.06257	0.06537	0.06924	0.07235
07/28/2007	kwh	1038.08	1030.56	1014.16	979.12	967.2	965.04	998.16	1048.88	1137.6	1196.72	1213.28	1307.92	1304.56
	\$/kwh	0.05547	0.0522	0.04651	0.04294	0.04209	0.03918	0.0401	0.04053	0.04764	0.05861	0.06527	0.07177	0.07598
07/29/2007	kwh	1081.6	1064.08	1050.16	1033.52	1009.92	1079.28	1142.96	1117.04	1132	1127.52	1136.64	1213.92	1248
	\$/kwh	0.05744	0.0493	0.04591	0.0437	0.04282	0.03913	0.04002	0.04167	0.04639	0.05478	0.06015	0.06379	0.06488
07/30/2007	kwh	1064	1032.16	1035.2	1032.72	1020.48	1091.04	1091.52	1378.64	1593.04	1579.28	1561.92	1553.36	1575.6
	\$/kwh	0.05882	0.05173	0.04844	0.04381	0.04427	0.04865	0.05036	0.05757	0.06262	0.0675	0.07378	0.07962	0.08267
07/31/2007	kwh	1028.56	1019.2	957.84	929.52	929.28	1005.36	1050.64	1248.32	1453.6	1538.32	1519.52	1605.84	1644.16
	\$/kwh	0.05715	0.05141	0.04904	0.04221	0.04217	0.04525	0.05059	0.05803	0.06274	0.06969	0.07594	0.07934	0.08277
08/01/2007	kwh	1106.72	1095.2	1097.84	1072.16	1060.8	1134.8	1186.96	1371.6	1567.76	1618.64	1556.96	1563.04	1593.92
	\$/kwh	0.06164	0.05299	0.05036	0.04655	0.04668	0.04962	0.05387	0.06186	0.06863	0.07553	0.08223	0.08656	0.09293
08/02/2007	kwh	1111.92	609.84	372.24	1062	1042.64	1107.92	1160.16	1358.32	1533.76	1560.24	1531.52	1581.36	1603.52
	\$/kwh	0.06469	0.06162	0.05923	0.05664	0.0562	0.05672	0.05835	0.06459	0.07028	0.07864	0.08601	0.09028	0.09579

Note: If you purchase your energy from an ESCO only the hourly kwh will be displayed.