

PSC No: 120 - Electricity
New York State Electric and Gas Corporation
Initial Effective Date: January 1, 2007

Leaf No. 254.1
Revision: 0
Superseding Revision:

SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(i) Hourly Pricing – Mandatory and Voluntary (Cont'd.)

DELIVERY CHARGES:

The delivery charges set forth in this Service Classification for standard service shall apply to a customer taking service under Hourly Pricing. A customer that qualifies for the Economic Development Zone Incentive will pay the delivery charges set forth in the Special Provision (d)(3) Economic Development Zone Incentive. A customer that qualifies for the Industrial/High Load Factor Special Provision will pay the delivery charges as set forth in the Special Provision (h).

HOURLY METERING CHARGE:

Hourly priced customers are required to pay an incremental meter charge of \$7.07 per month, regardless of the Electric Supply Pricing Option chosen. Customers that have paid for their own meter are exempt from this charge.

ELECTRICITY SUPPLY PRICING OPTIONS AVAILABLE TO CUSTOMERS:

Customers served under this provision must select from two different electricity supply pricing options offered by the Company as described below. NYSEG will offer one Retail Access rate choice and one Non-Retail Access rate choice.

The Retail Access choice (see 1 below) is the ESCO Price Option (“EPO”). The Non-Retail Access choice (see 2 below) is the NYSEG Hourly Day-Ahead Market Pricing Option (“Hourly Pricing”).

NYSEG will provide only delivery service for the Retail Access choice. Electricity supply is provided by an Energy Services Company (“ESCO”). Hourly Pricing customers are able to select ESCO commodity service at any time.

NYSEG will provide delivery service and electricity supply service for the Non-Retail Access choice.

A customer who has not chosen an option, and for whom NYSEG has not received a retail access enrollment from an ESCO, will default to the NYSEG Hourly Day-Ahead Market Pricing Option.

1. ESCO Price Option (EPO)

This Retail Access choice includes fixed charges for NYSEG delivery service, and a fluctuating Transition Charge (Non-Bypassable Charge [NBC] described above and in further detail in General Information Section 25.B.). Electricity supply is provided by an ESCO.

2. NYSEG Hourly Day-Ahead Market Pricing Option (“Hourly Pricing”)

This Non-Retail Access choice includes fixed charges for NYSEG delivery service, a fluctuating Transition Charge (Non-Bypassable Charge [NBC] as described above and in further detail in General Information Section 25.B.), the Merchant Function Charge and a commodity charge for electricity supply that fluctuates hourly with the market price of electricity including losses, unaccounted for energy, capacity, and capacity reserves, as further described herein. Electricity supply is provided by NYSEG.

Issued in compliance with order in Case No. 03-E-0641 dated 04/24/06.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York