Received: 11/09/2006

Status: CANCELLED Effective Date: 01/01/2007

PSC No: 120 - Electricity

New York State Electric & Gas Corporation

Initial Effective Date: January 1, 2007

Leaf No. 154

Revision: 3

Superseding Revision: 0

SERVICE CLASSIFICATION NO. 3

APPLICABLE TO THE USE OF SERVICE FOR:

Primary Service for any customer with a demand of 25 kilowatts or more but less than 500 kilowatts.

CHARACTER OF SERVICE:

Continuous - Alternating Current, 60 Cycle; Primary (Distribution) Service at 2,400, 4,160, 4,800, 7,200, 8,320, 12,000, 12,470, 13,200, 34,500 (Regulated) Volts; Subtransmission Service at 34,500 or 46,000 (Both Non-Regulated) Volts; or 34,500 (Regulated) Volts for "Grandfathered Customers" only; (see Special Provisions (a)); Single or Three Phase. (Characteristics depend upon available circuits and equipment.)

RATE CHOICES AVAILABLE TO CUSTOMERS:

Pursuant to General Information Section 25, Pricing Options Effective January 1, 2007, customers served under this Service Classification will choose from four different electric rate choices offered by the Company as described below. NYSEG will offer two Retail Access rate choices and two Non-Retail Access rate choices.

The two Retail Access choices (1 and 2 below) consist of the ESCO Price Option (EPO), and the ESCO Option with Supply Adjustment (EOSA). The two Non-Retail Access choices (3 and 4 below) include the NYSEG Fixed Price Option (FPO) and the NYSEG Variable Price Option (VPO).

NYSEG will provide <u>Delivery Service only</u> for the two Retail Access choices. Commodity Service will be provided by an Energy Services Company (ESCO).

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]).

Issued in compliance with order in Case No. 05-E-1222 dated 08/23/06.

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