

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

Leaf No. 158.1
Revision: 0
Superseding Revision:

SERVICE CLASSIFICATION NO. 3 (Continued)

RATE CHOICES AVAILABLE TO CUSTOMERS: (CONT'D.)**3. NYSEG Fixed Price Option (FPO) (Cont'd.)**Commodity Service (Cont'd.)

If a Fixed Total price that was established November 1, for the Commodity Option Period beginning January 1, qualifies for adjustment on April 1, NYSEG will file such revised Fixed Total price with the Public Service Commission not less than three days prior to the effective date of the revised Fixed Total price. However, the April 1 Fixed Total price will only be applicable to an eligible customer who is new or has moved within the Company's service territory and chooses the FPO rate on or after April 1.

Merchant Function Charge

All customers served under this Service Classification taking service under the NYSEG Fixed Price Option (FPO) will be required to pay a Merchant Function Charge as set forth herein and as further described in General Information Section 25.D.

The Merchant Function Charge will be phased in as set forth below:

	Effective Date		
	01/01/07	07/01/07	01/01/08
All kilowatt-hours, per kilowatt-hour	\$0.0016	\$0.0012	\$0.0008

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