

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

Leaf No. 298
Revision: 12
Superseding Revision: 11

SERVICE CLASSIFICATION NO. 12 (Continued)

RATE CHOICES AVAILABLE TO CUSTOMERS: (Cont'd.)

b) Capacity Component: The RAC also includes a component for the value of Unforced Capacity (UCAP), defined as the market-clearing price of capacity in \$/kWh as determined from the NYISO's monthly capacity auction price. The Capacity Component will be revised in accordance with each monthly UCAP auction held by the NYISO. The capacity price will also include UCAP Reserves, and will then be adjusted for UCAP Losses.

c) Additional Component: An additional credit ("Adder") in the amount of \$0.001 per kWh.

The Energy Component and Capacity Component [(a) and (b) above] will be combined to appear as a single line item credit on each customer bill. The Additional Component [(c) above] will also appear as a separate single line item credit on each customer bill.

NYSEG will provide Delivery and Commodity Service for the two Non-Retail Access choices.

3. NYSEG Fixed Price Option (FPO)

This Non-Retail Access choice includes fixed charges for delivery service, a fluctuating Transition Charge (Non-Bypassable Charge [NBC]), a fluctuating commodity charge for electricity supplied by NYSEG and Merchant Function Charge.

RATE: (Per Meter, Per Month)

| | 01/01/07 |
|--|----------|
| Delivery Charges | |
| Customer Charge | \$22.11 |
| Bill Issuance Charge | \$0.89 |
| Energy Charge (All kilowatt-hours, per kilowatt-hour) | |
| On-Peak Service | \$0.0716 |
| Mid-Peak Service | \$0.0328 |
| Off-Peak Service | \$0.0171 |

Transition Charge

All customers served under this Service Classification, taking service under the NYSEG Fixed Price Option (FPO), will be required to pay a Transition Charge (NBC), as further described in General Information Section 25.B.

Commodity Service

The charge for Electric Power Supply provided by NYSEG will fluctuate as described herein and further detailed in General Information Section 25.A.4, Pricing Options Effective January 1, 2007; NYSEG Fixed Price Option (FPO).

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