

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

Leaf No. 249.1  
Revision: 0  
Superseding Revision:

SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(h) Industrial/High Load Factor Rate Provision (Cont'd.):

(4) Rate for Industrial/High Load Factor Service: (Per Month) (Cont'd.)

**b. ESCO Option with Supply Adjustment (EOSA) or NYSEG Fixed Price Option (FPO) (Cont'd.)**

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).

Each billing period, the charge for commodity service will be calculated by subtracting the fluctuating Transition Charge for that billing period from the following Fixed Total of commodity and transition charges (Fixed Total) established on November 1 (to be effective on the following January 1) or April 1, as applicable and as set forth below, pursuant to General Information Section 25.A.4.

Effective Date	01/01/2007
<b>Fixed Total-SC 7-2</b>	
On-Peak	\$0.10047
Off-Peak	\$0.08235

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.

Customers served under EOSA within this Special Provision will receive a Retail Access Credit as described in the standard EOSA section for this Service Classification.

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:

SC 7-2	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