

PSC No: 120 - Electricity  
New York State Electric & Gas Corporation  
Initial Effective Date: November 1, 2006

Leaf No. 117.7  
Revision: 1  
Superseding Revision:

## GENERAL INFORMATION

### 25. Pricing Options effective January 1, 2007: (cont'd.)

#### **A. Pricing Options: (cont'd.)**

The Non-Retail Access choices consist of the NYSEG Default Supply Option (DSO), applicable to Small Customers only, as defined below, the NYSEG Variable Price Option (VPO), applicable to Large Customers only, as defined below, and the NYSEG Fixed Price Option (FPO), except as noted in Section 25.F.

- 3.a. NYSEG Default Supply Option (DSO): This choice will be available to Small Customers. Small Customers are defined as customers billed at a non-demand metered rate, which includes residential Service Classification Nos. 1, 8 and 12 and non-residential Service Classification Nos. 5, 6 and 9 within PSC No. 120 and PSC No. 121 Street Lighting customers. This option includes fixed components for NYSEG delivery service, a fluctuating Transition Charge (Non-Bypassable Charge [NBC] as described in Section 25.B.), a fluctuating commodity charge for electricity supplied by NYSEG which will reflect a managed mix of supply resources, and a Merchant Function Charge (MFC) as described in Section 25.D.
- 3.b NYSEG Variable Price Option (VPO): This choice will be available to Large Customers. Large Customers are defined as customers billed at a demand metered rate, which includes non-residential Service Classification Nos. 2, 3, and 7 of PSC 120. This option includes fixed components for NYSEG delivery service, a fluctuating Transition Charge (Non-Bypassable Charge [NBC] as described in Section 25.B.), a fluctuating commodity charge for electricity supplied by NYSEG which will reflect the market price of electricity, and a Merchant Function Charge (MFC) as described in Section 25.D.
4. NYSEG Fixed Price Option (FPO): This choice includes fixed delivery components, a fluctuating Transition Charge (Non-Bypassable Charge [NBC] as described in Section 25.B.), and a fluctuating commodity charge for electricity supplied by NYSEG (as described in Section 25.C.). The sum of the fluctuating NBC and commodity charges is fixed. The customer will also pay a Merchant Function Charge (MFC) as described in Section 25.D. The fixed total of the commodity and transition charges will be calculated on November 1, 2006 to become effective January 1, 2007. However, the commodity and transition charges for the FPO to be presented on customer bills is as follows:

The NBC that is fixed on November 1, as discussed above, will be replaced with the fluctuating NBC each billing period. The fluctuating NBC will be subtracted from the fixed total of commodity and transition charges set on November 1 to determine the commodity charge to be displayed on the customer's bill.

The FPO rate that was established November 1 for the Commodity Option Period may be adjusted every April 1 to reflect any increase in the cost of the fixed price service that may have occurred since November 1 of the year preceding the Commodity Option Period; however, the adjusted rate will only be applicable to an eligible customer who is new or has moved within the Company's service territory (defined in General Information Section 1) and chooses the FPO rate on or after the effective date of the adjusted rate.

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