

PSC No: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: January 1, 2008

Leaf No. 217.1
Revision: 2
Superseding Revision: 0

SERVICE CLASSIFICATION NO. 7 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

4. Hourly Pricing – Mandatory and Voluntary (Cont'd.)

DELIVERY CHARGES:

The delivery charges set forth in this Service Classification for standard service shall apply to a customer taking service under Hourly Pricing. A customer that qualifies for the Economic Development Zone Incentive will pay the delivery charges set forth in the Special Provision (d)(3) Economic Development Zone Incentive. A customer that qualifies for the Industrial/High Load Factor Special Provision will pay the delivery charges as set forth in the Special Provision (h).

HOURLY METERING CHARGE:

Hourly priced customers are required to pay an incremental meter charge of \$7.07 per month, regardless of the Supply Service Option chosen. Customers that have paid for their own meter are exempt from this charge.

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS:

Customers served under this provision must select from the different electricity Supply Service Options offered by the Company as described below. NYSEG will offer a Retail Access rate choice and a Non-Retail Access rate choice.

The Retail Access choice (see 1 below) is the ESCO Price Option (“EPO”). The Non-Retail Access choice (see 2 below) is the NYSEG Hourly Day-Ahead Market Pricing Option (“Hourly Pricing”).

NYSEG will provide only delivery service for the Retail Access choice. Electricity supply is provided by an Energy Services Company (“ESCO”). Hourly Pricing customers are able to select ESCO commodity service at any time.

NYSEG will provide delivery service and commodity service for the Non-Retail Access choice.

A customer who has not chosen an option, and for whom NYSEG has not received a retail access enrollment from an ESCO, will default to the NYSEG Hourly Day-Ahead Market Pricing Option.

1. ESCO Price Option (EPO)

This Retail Access choice includes fixed charges for NYSEG delivery service and a fixed Transition Charge set forth on the Transition Charge Statement. Electricity supply is provided by an ESCO. Customers that elect EPO and receive a Consolidated Bill will not be subject to the Bill Issuance Charge.

2. NYSEG Hourly Day-Ahead Market Pricing Option (“Hourly Pricing”)

This Non-Retail Access choice includes fixed charges for NYSEG delivery service, a fixed Transition Charge set forth on the Transition Charge Statement, a Merchant Function Charge, and a commodity charge for electricity supply that fluctuates hourly with the market price of electricity including losses, unaccounted for energy, capacity, and capacity reserves, as further described herein. Electricity supply is provided by NYSEG.

Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

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