

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

Leaf No. 297  
Revision: 2  
Superseding Revision: 0

SERVICE CLASSIFICATION NO. 12 (Continued)

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

A Transition Charge (NBC) Statement setting forth the monthly Transition Charge (NBC) will be filed with the Public Service Commission on not less than three (3) days' notice from the effective date of the revised charge for the first day of the billing cycle each month. Such statement can be found at the end of this Schedule (PSC 120 - Electricity).

**2. ESCO Option with Supply Adjustment (EOSA)**

This Retail Access choice provides a Retail Access Credit ("RAC") applied to the NYSEG Fixed Price Option ("FPO"). This FPO rate can be found in the description for Rate Choice No. 3, the NYSEG Fixed Price Option, in this Service Classification. The RAC, further described below, fluctuates with the market price of electricity, and consists of energy, Energy Losses (which include Unaccounted For Energy); Unforced Capacity ("UCAP"), UCAP Losses, UCAP Reserves, and an Additional (per kWh) Component.

Retail Access Credit (RAC)

The RAC consists of three components:

a) Energy Component: For each day of the customer's billing cycle, daily on-peak, mid-peak and off-peak market prices will be derived from the day ahead NYISO posted Locational Based Marginal Prices (LBMP) of electricity for the region (East or West of the NYISO Total East Interface) in which the customer is located, weighted to reflect hourly usage based on load studies for the calendar month and day-type (Weekday, Saturday or Sunday/Holiday) for Service Classification 12, to develop weighted average on-peak, mid-peak and off-peak values of market supply. LBMP in Zone C will be used for customers electrically connected West of the Total East NYISO Interface. LBMP in Zone G will be used for customers electrically connected East of the NYISO Total East Interface. The load weighted market price of energy will be adjusted to reflect losses and Unaccounted For Energy.

The on-peak weighted average value of market supply, for the customer's specific billing period, is multiplied by the customer's metered on-peak kWh usage to determine the value of on-peak market supply to be credited to the customer's bill. Similarly, the mid-peak weighted average value of market supply, for the customer's specific billing period, is multiplied by the customer's metered mid-peak kWh usage to determine the value of mid-peak market supply, which is also credited to the customer's bill. The off-peak weighted average value of market supply, for the customer's specific billing period, is multiplied by the customer's metered off-peak kWh usage to determine the value of off-peak market supply, which is also credited to the customer's bill.

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