PSC No: 120 - Electricity New York State Electric and Gas Corporation Initial Effective Date: March 1, 2006 Leaf No. 213 Revision: 2 Superseding Revision: 0

SERVICE CLASSIFICATION NO. 7 (Continued)

RATE CHOICES AVAILABLE TO CUSTOMERS (CONT'D.):

Transition Charge (Non-Bypassable Charge ["NBC"]):

All customers served under this Service Classification, taking service under the ESCO Price Option (EPO) rate or the NYSEG Variable Price Option (VPO) rate (see Rate Choice No. 4) will be required to pay a Transition Charge, also known as the Non-Bypassable Charge [NBC] in the Electric Rate Plan, as further described in General Information Section 12.B.

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).

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