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PSC NO: 121 ELECTRICITY NEW YORK STATE ELECTRIC & GAS CORPORATION

Initial Effective Date: 10/01/04 Superseding Revision: 0

SERVICE CLASSIFICATION NO. 2 (Cont'd.)

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

1. Competitive Supplier Price (ERO) (Cont'd.)

| | kWh | Maintenance Charge for Customer Owned Luminaries | Total Energy Charge @ \$.03100 per kWh | Total Charge |
|---|-------|--|--|-----------------|
| Fluorescent 95 Watts - 5,000 Lumen 228 Watts - 10,000 Lumen (1 Lamp) 235 Watts - 10,000 Lumen (2 Lamp) 380 Watts - 20,000 Lumen (2 Lamp) 470 Watts - 20,000 Lumen (4 Lamp) | 400 | \$16.64 | \$12.40 | \$29.04 |
| | 961 | 17.37 | 29.79 | 47.16 |
| | 990 | 18.09 | 30.69 | 48.78 |
| | 1,601 | 20.89 | 49.63 | 70.52 |
| | 1,980 | 22.17 | 61.38 | 83.55 |
| Metal Halide 100 Watts - 5,800 Lumen 175 Watts - 12,000 Lumen 250 Watts - 16,000 Lumen 400 Watts - 28,000 Lumen 1000 Watts - 88,000 Lumen | 506 | \$27.06 | \$15.69 | \$42.75 |
| | 885 | 27.06 | 27.44 | 54.40 |
| | 1,319 | 27.24 | 40.89 | 68.13 |
| | 2,048 | 27.84 | 63.49 | 91.33 |
| | 4,592 | 45.14 | 142.35 | 187.49 |

Note: The rating of lamps in lumens is for identification purposes only and shall approximate the manufacturers standard rating.

<u>Transition Charge (Non-Bypassable Wires Charge ["NBWC"]):</u>

All customers served under this Service Classification, taking service under the Competitive Supplier Price (ERO) rate or the NYSEG Variable Price (VRO) rate (see Rate Choice No. 4) will be required to pay a Transition Charge, also known as the Non-Bypassable Wires Charge [NBWC] in the Electric Rate Plan.

The Transition Charge (NBWC) is a per kilowatt-hour charge calculated by summing the above-market costs and below-market benefits of the Company's existing power purchase obligations. The charge includes the difference between (a) the market value of electricity from NYSEG-owned hydroelectric plants, Non-Utility Generators ("NUGs"), and Nine Mile Point 2, and (b) contract payments for that electricity. The Transition Charge (NBWC) also includes costs associated with moving electricity through the transmission and distribution systems and the benefits of existing transmission contracts. Additionally, the Transition Charge (NBWC) includes ancillary service costs as well as NYPA Transmission Access Charges ("NTAC").

For customers taking service under the Competitive Supplier Price (ERO) rate or the NYSEG Variable Price (VRO) rate, the Transition Charge (NBWC) may vary monthly, depending on the market prices of electricity. For such customers whose service is electrically connected East of the NYISO Total East Interface, the Transition Charge (NBWC) will include a credit to reflect the higher cost to serve load in that area.

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