PSC No: 120 - Electricity New York State Electric & Gas Corporation Initial Effective Date: October 1, 2004 Leaf No. 135 Revision: 2 Superseding Revision: 1

SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS:

(a) Space Heating Service:

(Service under this provision will no longer be available to new customers after November 1, 1977.) Any customer using general service under this Service Classification and also using electricity as the sole source of space heating in a premises or segregated portion of a premises may, upon written application to the Corporation, have the energy used for such space heating, as well as air conditioning and water heating for such electrically heated space, separately metered. The separately metered space heating service will be charged under the same rate choice the customer selected for their non-heating service under this Service Classification.

The per kilowatt-hour rate for such separately metered space heating service under the selected rate choice is as shown below. There is a separate minimum charge. A complete description of these rate choices appears previously in this Service Classification.

Competitive Supplier Price* (ERO)	NYSEG Variable Price* (VRO)	
\$0.01259	\$0.01659	

*Customers are responsible for a separate per kilowatt-hour Transition Charge (Non-Bypassable Wires Charge) and any Commodity Charges at the same rate associated with the selected rate choice for their non-heating service. The Competitive Supplier Price (ERO) charges above include a fixed component for NYSEG delivery service, which reflects a credit of \$.004 per kWh.

NYSEG Fixed Price	Effective Date**					
(BRO) and NYSEG Fixed Price w/Supply Credit (BRO w/RAC)	01/01/03	04/01/03	10/01/03	04/01/04	10/01/04	
	\$0.08831	\$0.10106	\$0.09508	\$0.10083	\$0.09577	

** The rate for NYSEG's Fixed Price (BRO) may be revised every six months on April 1 and October 1 of each year to reflect increases in the cost of providing fixed commodity service. The revised rate will be calculated using the methodology approved by the Commission in Case 01-E-0359 for calculating the commodity portion of BRO prices. Such revised rate will be utilized only if greater than the initial BRO rate effective January 1, 2003. However, the revised rate will be applicable only to a customer who chooses or is placed on the NYSEG Fixed Price (BRO) rate or the NYSEG Fixed Price with Supply Credit (BRO w/RAC) rate, on or after the effective date of the revision. The revised rate remains in effect for such customers through December 31, 2004, regardless of whether the customer chooses the BRO rate or BRO w/ RAC rate.

NYSEG will file such revised BRO rates with the Public Service Commission not less than three days prior to the effective date of the revised rate.

The minimum charge is the Demand Charge based on the current month's actual billing demand. Service under this Special Provision (a) will be supplied on an annual basis for as long as non-heating service is supplied under this Service Classification.

Issued in compliance with Orders in Case 01-E-0359 dated February 27 and November 22, 2002.

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