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PSC No: 120 - Electricity

New York State Electric and Gas Corporation

Initial Effective Date: December 1, 2003

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GENERAL INFORMATION

12. Customer Advantage Program: (Cont'd.)

E. Default Process at the Close of the Enrollment Period:

The Enrollment Period will close at noon on December 31, 2002, and thereafter NYSEG will process all customers' rate selections to become effective January 1, 2003. A customer for whom NYSEG has not received an enrollment will be placed on an electric rate as set forth below. The default will depend on whether the customer is a Small or Large customer, and whether the customer is enrolled in Retail Access. Small customers are defined as those customers taking secondary voltage service (i.e., SC Nos. 1, 2, 5, 6, 7-1 (secondary), 8, 9, or 12 of this Schedule, and PSC No. 118, Street Lighting). Large customers are defined as those customers taking service at primary distribution, subtransmission, or transmission voltages (i.e., SC Nos. 3, 7-2 (primary), 7-3 (subtransmission), or 7-4 (transmission) of this Schedule).

1. Non-Retail Access Default:

(a) Small Customer Default:

At the close of the Enrollment Period at noon on December 31, 2002, if a Small customer is not enrolled in Retail Access, and NYSEG has not received such customer's rate election, such Small customer will default to NYSEG Fixed Price (BRO). During the two-year period January 1, 2003 through December 31, 2004, Small customers can switch from NYSEG Fixed Price (BRO) to NYSEG Fixed Price with Supply Credit (BRO w/RAC) at any time.

(b) Large Customer Default:

If a Large customer is not enrolled in Retail Access by noon on December 31, 2002, and NYSEG has not received this customer's rate election, such Large customer will default to NYSEG Variable Price (VRO). During the two-year period January 1, 2003 through December 31, 2004, Large customers can switch from NYSEG Variable Price (VRO) to Competitive Supplier Price (ERO) at any time.

2. Retail Access Default, Both Small and Large Customers:

At the close of the Enrollment Period at noon on December 31, 2002, if either a Small or a Large customer is participating in Retail Access, and NYSEG has not received such customer's rate election from the ESCO, both such Small or Large customer will default to the Competitive Supplier Price (ERO).

3. Temporary Rate Assignment Prior to Retail Access Effective Date:

For a customer that elected or defaulted to the Competitive Supplier Price (ERO) rate during the Enrollment Period, and enrolled in Retail Access prior to January 1, 2003, but the first scheduled or Special Meter Reading date (effective date) will not occur until after January 1, 2003, NYSEG will bill the customer at the NYSEG Variable Price (VRO) rate from January 1, 2003 until the customer's first scheduled or Special Meter Reading date. After that meter read, billing at the Competitive Supplier Price (ERO) rate will begin.

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