

PSC No: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: October 30, 2005

Leaf No. 160
Revision: 6
Superseding Revision: 1

SERVICE CLASSIFICATION NO. 3 (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 NYSEG Variable Price Option (VPO) rate will be required to pay a Transition Charge (NBC), as further described under Rate Choice No. 1, ESCO Price Option (EPO).

Commodity Service

The charge for Electric Power Supply provided by NYSEG will fluctuate with the market price of electricity and will include the following components: energy, Energy Losses (which include Unaccounted For Energy), Unforced Capacity (UCAP), UCAP Reserves, and UCAP Losses. This charge is determined using the same methodology as described above in this Service Classification under the detailed explanation of the Retail Access Credit (applied to the NYSEG Fixed Price with Supply Credit, Rate Choice No. 2); items "a" (Energy) and "b" (Capacity).

In the event that NYSEG determines that it will incur an estimated gain or loss because purchases for VPO customers were made in the real-time market at prices differing from those in the day-ahead market, NYSEG will credit or recover the full amount of the estimated gain or loss through the non-bypassable wires charge from VPO customers.

MINIMUM CHARGE:

The minimum charge for service under this Service Classification is the Customer Charge as listed above, or as otherwise stated in the applicable special provisions.

The minimum charge for customers who choose to take all or part of their back-up or maintenance service under this service classification rather than under NYSEG's Service Classification No. 11 is described in the "DETERMINATION OF DEMAND" section.

SURCHARGE TO COLLECT SYSTEM BENEFITS CHARGE ("SBC"):

A surcharge of \$.0014 per kWh will be added to each Energy Charge on the customers' bills in this Service Classification to collect the System Benefits Charge (as explained in this Schedule, General Information Section 4). This charge will be effective with usage beginning January 1, 2005.

RENEWABLE PORTFOLIO STANDARD CHARGE ("RPS"):

A surcharge of \$.0002 per kWh will be added to each Energy Charge on the customers' bills in this Service Classification to collect the Renewable Portfolio Standard (as explained in this Schedule, General Information Section 5). This charge will be effective with usage beginning October 1, 2005 and will be amended each October 1st.

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