

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

Leaf No. 170.1  
Revision: 1  
Superseding Revision: 0

SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(f) Plattsburgh Air Force Base (Cont'd.)

Phase-In of Rates:

1. Eligible customers' bills subject to this Special Provision will be calculated pursuant to the methodology historically used by PARC (the "PARC Method") and pursuant to the NYSEG Fixed Price Option (FPO) rate effective January 1, 2003, as specified in the otherwise applicable Service Classification of this Schedule.

If an eligible customer would incur an increase under the NYSEG Fixed Price Option (FPO) rate, such customer will pay the bill calculated pursuant to the PARC Method plus the following percentages of the difference between the bill calculated at NYSEG's Fixed Price Option (FPO) rate and the bill calculated using the PARC Method (inclusive of incentives, but exclusive of taxes which will be added to the eligible customer's bill.):

- (i) immediately upon PSC approval of this Special Provision, for a twelve month period thereafter: twenty-five percent (25%)
- (ii) commencing one year after the commencement of the rate described in (i) above: sixty percent (60%)
- (iii) commencing on the earlier of one year after the commencement of the rate described in (ii) above or January 1, 2006, the customer will be required to pay the full applicable NYSEG tariff rate.

If an eligible customer would not incur an increase under a bill calculated at the applicable NYSEG Fixed Price Option (FPO) rate, the customer will be billed at the applicable NYSEG Fixed Price Option (FPO) rate.

2. Customers eligible for this Special Provision may select a retail access option, [ESCO Price Option (EPO) or the ESCO Option with Supply Adjustment (EOSA)], as specified in General Information Section 12, Customer Advantage Program, and the otherwise applicable Service Classification of this Schedule, and in accordance with this Special Provision. A customer may alternatively select the Variable Price Option (VPO) as specified within each applicable Service Classification. If a retail access option or VPO is selected, the customer selecting such option will not receive the Phase-In as specified in this Special Provision. A customer who selects a retail access option and later returns from retail access to NYSEG commodity service (FPO or VPO), will not be eligible for the Phase-In.

A customer electing EPO or EOSA must adhere to the process set forth in Section 12.G.3, Process for Changing to a Retail Access Rate, of this Schedule. The Energy Services Company ("ESCO") shall contact NYSEG directly to convey the customer's retail access rate option selection and retail access enrollment.

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