PSC No: 120 - Electricity New York State Electric & Gas Corporation Initial Effective Date: January 1, 2007 Leaf No. 121 Revision: 12 Superseding Revision: 11

SERVICE CLASSIFICATION NO. 1 (Continued)

RATE CHOICES AVAILABLE TO CUSTOMERS: (Cont'd.)

NYSEG will provide <u>Delivery and Commodity Service</u> for the two Non-Retail Access choices.

3. NYSEG Fixed Price Option (FPO)

This Non-Retail Access choice includes fixed charges for delivery service, a fluctuating Transition Charge (Non-Bypassable Charge [NBC]), a fluctuating commodity charge for electricity supplied by NYSEG and a Merchant Function Charge.

RATE: (Per Meter, Per Month)

	01/01/07
Delivery Charges	
Customer Charge	\$13.11
Bill Issuance Charge	\$0.89
Energy Charge	
(All kilowatt-hours,	\$0.0347
per kilowatt-hour)	

Transition Charge

All customers served under this Service Classification, taking service under the NYSEG Fixed Price Option (FPO), will be required to pay a Transition Charge (NBC), as further described in General Information Section 25.B.

Commodity Service

The charge for Electric Power Supply provided by NYSEG will fluctuate as described herein and further detailed in General Information Section 25.A.4, Pricing Options Effective January 1, 2007; NYSEG Fixed Price Option (FPO).

Each billing period, the charge for commodity service will be calculated by subtracting the fluctuating Transition Charge for that billing period from the following Fixed Total of commodity and transition charges (Fixed Total) established on November 1 (to be effective on the following January 1) or April 1, as applicable and as set forth below, pursuant to General Information Section 25.A.4.

Effective Date	01/01/2007
Fixed Total	\$0.0875

If a Fixed Total price that was established November 1, for the Commodity Option Period beginning January 1, qualifies for adjustment on April 1, NYSEG will file such revised Fixed Total price with the Public Service Commission not less than three days prior to the effective date of the revised Fixed Total price. However, the April 1 Fixed Total price will only be applicable to an eligible customer who is new or has moved within the Company's service territory and chooses the FPO rate on or after April 1.

Issued in compliance with order in Case No. 05-E-1222 dated 08/23/06.

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