Received: 11/09/2006

Status: CANCELLED Effective Date: 01/01/2007

PSC No: 120 - Electricity

New York State Electric & Gas Corporation

Initial Effective Date: January 1, 2007

Leaf No. 132

Revision: 4

Superseding Revision: 1

SERVICE CLASSIFICATION NO. 2 (Continued)

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

4. NYSEG Variable Price Option (VPO)

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

RATE: (Per Meter, Per Month)

Delivery Service:

| | Effective Date 01/01/07 |
|---|-------------------------|
| | 01/01/07 |
| Customer Charge | \$ 5.66 |
| Bill Issuance Charge | \$ 0.89 |
| Meter Ownership Charge | \$ 2.03 |
| Meter Service Charge | \$ 2.84 |
| Meter Data Service Charge (Meter Reading) | \$ 2.58 |
| Demand Charge (All kilowatts, per kilowatt) | \$ 8.00 |
| Energy Charge (All kilowatt-hours, per kilowatt-hour) | \$0.00416 |
| Reactive Charge Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour | \$0.00095 |

<u>Transition Charge (Non-Bypassable Charge [NBC]):</u>

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 in General Information Section 25.B.

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