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GENERAL INFORMATION

25. Pricing Options effective January 1, 2007: (cont'd.)

I. Grace Period January 1 - February 28, 2007: (cont'd.)

2. Grace Period for Certain Large Customers:

Service Classification Nos. 2 and 7-1 customers and SC 11 customers whose OASC rate is Service Classification Nos. 2 or 7-1, who default to the Variable Price Option (VPO) by failure to make any affirmative selection of a commodity program, but who would rather select the NYSEG Fixed Price Option (FPO), will be eligible to make that selection during the two-month Grace Period of January 1 through February 28, 2007. The requested switch to the FPO will become effective with usage on and after the customer's most recent actual or interim estimated meter read date after January 1, 2007. If the customer's request for the FPO is received prior to the customer's actual or interim estimated meter read date in 2007, then the requested switch will become effective with usage on or after January 1, 2007. The FPO price that became effective January 1, 2007 will apply to the account for which the customer selects the FPO during the Grace Period and will continue to apply for the remainder of the 2007 Commodity Option Period.

No Grace Period for Small or Large customers will be available in 2008.

J. Changing Electric Rate Options January 1, 2007 - December 31, 2008:

A customer can switch in and out of retail access at any time during each Commodity Option Period, as detailed below.

a) ESCO Price Option (EPO)

A Small customer taking service under the EPO may change to the NYSEG Default Supply Option (DSO).

A Large customer taking service under the EPO may change to the NYSEG Variable Price Option (VPO).

b) ESCO Option with Supply Adjustment (EOSA)

A customer taking service under the EOSA may change only to the NYSEG Fixed Price Option (FPO). Although the rates for FPO may be adjusted on April 1, a customer on the EOSA rate option who leaves retail access will not receive a FPO rate adjustment when switching from EOSA to FPO within the Commodity Option Period.

c) NYSEG Variable Price Option (VPO)

A customer taking service under the VPO may change only to the ESCO Price Option (EPO). During the Grace Period, certain Large customers who defaulted to the VPO may switch to FPO, as described above in Section 25.I.

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