

PSC No: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: January 1, 2008

Leaf No. 158.1
Revision: 2
Superseding Revision: 0

SERVICE CLASSIFICATION NO. 3 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

4. Hourly Pricing – Mandatory and Voluntary

Hourly Pricing is voluntary for any customer taking service under Service Classification No. 3 except as follows:

Effective January 1, 2009, Hourly Pricing is mandatory for any customer taking service under Service Classification No. 3 with a billed demand greater than or equal to 400 kW in any two months within the twelve months prior to September 1, 2008, including customers that received an economic incentive or NYPA allocation on or after January 1, 2007.

Effective January 1, 2010, Hourly Pricing is mandatory for any customer taking service under Service Classification No. 3 with a billed demand greater than or equal to 300 kW in any two months within the twelve months prior to September 1, 2009, including customers that received an economic incentive or NYPA allocation on or after January 1, 2007.

A customer taking service under Hourly Pricing will remain subject to this provision until their monthly metered demand has been less than 300 kW for 12 consecutive months. Customers served under this provision must select the ESCO Price Option (EPO) or NYSEG Hourly Day-Ahead Market Pricing ("Hourly Pricing") described within this Service Classification.

Customers that received an economic incentive or NYPA allocation beginning on or prior to December 31, 2006 and does not have a restriction for the Supply Service Option may opt to participate in Hourly Pricing. If such customer opts to participate in Hourly Pricing, the customer must choose the same Supply Service Option for its incentive, non-incentive and any future load.

DELIVERY CHARGES:

The delivery charges set forth in this Service Classification for the VPO shall apply to a customer taking service under Hourly Pricing. A customer that qualifies for the Industrial/High Load Factor Special Provision will pay the delivery charges as set forth in Special Provision (h).

HOURLY METERING CHARGE:

Hourly priced customers are required to pay an incremental meter charge of \$7.07 per month, regardless of the Electric Supply Pricing Option chosen. Customers that have paid for their own meter are exempt from this charge.

NYSEG Hourly Day-Ahead Market Pricing Option ("Hourly Pricing")

This Non-Retail Access choice includes fixed charges for NYSEG delivery service, a fixed Transition Charge (Non-Bypassable Charge [NBC] as described above and in further detail in General Information Section 25.I.B.), the Merchant Function Charge, and a commodity charge for electricity supply that fluctuates hourly with the market price of electricity including losses, unaccounted for energy, capacity, and capacity reserves, as further described herein. Electricity supply is provided by NYSEG.

Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

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