PSC No: 120 - Electricity New York State Electric & Gas Corporation Initial Effective Date: March 1, 2006 Leaf No. 132 Revision: 3 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 that fluctuates with the market price of electricity, and a merchant function charge.

RATE: (Per Meter, Per Month) Delivery Service:

	Effective Date 01/01/07
Customer Charge	\$ 19.92
Bill Issuance Charge	\$ 0.94
Meter Ownership Charge	\$ 2.00
Meter Service Charge	\$ 2.66
Meter Data Service Charge (Meter Reading)	\$ 2.48
Demand Charge (All kilowatts, per kilowatt)	\$ 7.57
Energy Charge (All kilowatt-hours, per kilowatt-hour)	
Up to and including 200 hours use of metered demand	\$0.01098
Over 200 hours use and up to and including 350 hours use of metered demand	\$0.01038
Over 350 hours use of metered demand	\$0.00935
Reactive Charge Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour	\$0.00095
Merchant Function Charge (All kilowatt-hours, per kilowatt-hour)	\$0.0013

Transition Charge (Non-Bypassable Charge ["NBC"]):

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 under Rate Choice No. 1, ESCO Price Option (EPO) and General Information Section 12.B.

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