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PSC No: 120 - Electricity

New York State Electric & Gas Corporation

Revision: 7

Initial Effective Date: March 1, 2006

Leaf No. 133

Revision: 5

SERVICE CLASSIFICATION NO. 2 (Continued)

RATE CHOICES AVAILABLE TO CUSTOMERS: (CONT'D.)

Commodity Service (Cont'd.)

In the event that NYSEG determines that it will incur an estimated gain or loss because purchases for VPO customers were made in the real-time market at prices differing from those in the day-ahead market, NYSEG will credit or recover the full amount of the estimated gain or loss through the non-bypassable charge from VPO customers.

MERCHANT FUNCTION CHARGE:

The Merchant Function Charge reflects the administrative costs of obtaining electricity supply. Customers whose electricity is supplied by an ESCO are not charged for this service. The Merchant Function Charge will be reset annually, to be effective February 1, using the methodology approved by the Commission in Case 05-E-1222.

MINIMUM CHARGE:

The minimum charge for service under this Service Classification is the Customer Charge as listed above, or as otherwise stated in the applicable special provisions.

The minimum charge for customers who choose to take all or part of their back-up or maintenance service under this service classification rather than under NYSEG's Service Classification No. 11 is described in the "DETERMINATION OF DEMAND" section.

SURCHARGE TO COLLECT SYSTEM BENEFITS CHARGE ("SBC"):

A surcharge of \$.0014 per kWh will be added to each customer bill for service under this Service Classification to collect the System Benefits Charge (as explained in this Schedule, General Information Section 4). This charge will be effective with usage beginning January 1, 2005.

RENEWABLE PORTFOLIO STANDARD CHARGE ("RPS"):

A surcharge of \$.0002 per kWh will be added to each customer bill for service under this Service Classification to collect the Renewable Portfolio Standard (as explained in this Schedule, General Information Section 5). This charge will be effective with usage beginning October 1, 2005 and will be amended each October 1st.

METER OWNERSHIP, METER SERVICE AND METER DATA SERVICE CHARGES:

The Meter Ownership, Meter Service and Meter Data Service Charges may be reset annually using the methodology approved by the Commission in Case 05-E-1222.

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

Cancelled by supplement No. 8 effective 08/25/2006 Suspended to 12/27/2006 by order in Case 05-E-1222. See Supplement No. 7. The supplement filing date was 06/21/2006 Suspended to 06/27/2006 by order in Case 05-E-1222. See Supplement No. 5. The supplement filing date was 02/02/2006