

PSC NO: 121 ELECTRICITY
NEW YORK STATE ELECTRIC & GAS CORPORATION
Initial Effective Date: 03/01/06

Leaf: 20
Revision: 6
Superseding Revision: 3

SERVICE CLASSIFICATION NO. 1 (Cont'd.)

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

3. NYSEG Fixed Price Option (FPO) (Cont'd.)

* The Transition and Commodity Charges for NYSEG's Fixed Price Option (FPO) may be revised every six months on April 1 and October 1 of each year to reflect increases in the cost of providing fixed commodity service. The revised Transition and Commodity Charges will be calculated using the methodology approved by the Commission in Case 05-E-1222. However, the re-calculated charges will only be utilized when the total of the Transition and Commodity Charges is higher than the total of Transition and Commodity Charges that became effective January 1 of the two-year Commodity Rate Period. Such revised charges will be applicable only to a customer who chooses or is placed on the NYSEG Fixed Price Option (FPO) or the ESCO Option with Supply Adjustment (EOSA), on or after the effective date of the revision. The revised charges will remain in effect for such customers through the end of the two-year Commodity Rate Period, regardless of whether the customer chooses the FPO or EOSA.

NYSEG will file such revised FPO charges with the Public Service Commission not less than three days prior to the effective date of the revised rate.

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.

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