PSC No: 120 - Electricity New York State Electric and Gas Corporation Initial Effective Date: March 1, 2006 Leaf No. 232 Revision: 2 Superseding Revision: 0

SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(d) Economic Incentives: (Cont'd)

(3) Economic Development Zone Incentive: (Cont'd)

NYSEG Variable Price Option (VPO):

Delivery Service:

Voltage	Secondary	Primary		
Effective Date 01/01/07	S.C. 7-1 Distribution	S.C. 7-2 Distribution	S.C. 7-3 Sub-transmission	S.C. 7-4 Transmission
Customer Charge	\$1.50	\$30.38	\$287.24	\$834.63
Bill Issuance Charge	\$0.94	\$0.94	\$0.94	\$0.94
Meter Ownership Charge	\$2.68	\$3.73	\$4.50	\$5.03
Meter Service Charge	\$2.95	\$3.61	\$3.88	\$4.89
Meter Data Service Charge (Meter Reading)	\$2.84	\$3.43	\$3.44	\$4.51
Demand Charge All kilowatts, per kW On-Peak Service Off-Peak Service	\$6.24 n/a	\$4.30 n/a	\$4.08 n/a	\$1.73 n/a
Energy Charge All kilowatt-hours, per kWh On-Peak Service Off-Peak Service	\$0.00329 \$0.00329	\$0.00255 \$0.00255	\$0.00425 \$0.00425	\$0.00400 \$0.00400
Reactive Charge Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour	\$0.00095	\$0.00095	\$0.00095	\$0.00095
Merchant Function Charge All kilowatt-hours, per kWh	\$0.0013	\$0.0005	\$0.0005	\$0.0005

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