Received: 06/17/2004

Status: CANCELLED Effective Date: 10/01/2004

PSC No: 120 - Electricity

New York State Electric & Gas Corporation

Initial Effective Date: 10/01/04

Leaf No. 35

Revision: 1

Superseding Revision: 0

GENERAL INFORMATION

12. Customer Advantage Program: (Cont'd.)

G. Changing Electric Rate Options January 1, 2003 - December 29, 2006:

A customer can change to a different electric rate option multiple times, and at any time during the four-year period, January 1, 2003 through December 29, 2006, subject to the rate changes set forth below.

1. Rate Option Changes for Small Customers:

As specified in Section 12.E. above, Small customers are defined as those customers taking secondary voltage service (<u>i.e.</u>, Service Classification Nos. 1, 2, 5, 6, 7-1 (secondary), 8, 9, or 12 of this Schedule, or PSC No. 121, Street Lighting). Below are the rate option changes allowed for Small customers.

(a) Small Customer - Competitive Supplier Price (ERO)

A Small customer taking service under the Competitive Supplier Price (ERO) may change to the following rate options: (1) NYSEG Variable Price (VRO), or (2) NYSEG Fixed Price (BRO) rate. A customer changing to the NYSEG Fixed Price (BRO) between January 1, 2003 and December 30, 2004 will receive the latest NYSEG Fixed Price (BRO) rate in effect at the time of the rate option change, and the customer will receive that rate until December 31, 2004.

A customer changing to the NYSEG Fixed Price (BRO) between January 1, 2005 and December 29, 2006 will receive the latest NYSEG Fixed Price (BRO) rate in effect at the time of the rate option change, and the customer will receive that rate until December 31, 2006.

(b) Small Customer - NYSEG Fixed Price with Supply Credit (BRO w/RAC)

A Small customer taking service under the NYSEG Fixed Price with Supply Credit (BRO w/RAC) may change only to the NYSEG Fixed Price (BRO). Although the rates for BRO may be adjusted every six months, a customer on the BRO w/RAC rate option who leaves retail access will not receive a BRO rate adjustment when switching from BRO w/RAC to BRO.

(c) Small Customer - NYSEG Variable Price (VRO)

A Small customer taking service under the NYSEG Variable Price (VRO) may change only to the Competitive Supplier Price (ERO).

(d) Small Customer - NYSEG Fixed Price (BRO)

A Small customer taking service under the NYSEG Fixed Price (BRO) may change only to the NYSEG Fixed Price with Supply Credit (BRO w/RAC). During the Grace Period, an additional option may apply, as described above in Section 12.F.

Although the rates for BRO may be adjusted every six months, a customer on the BRO rate option who moves to retail access will not receive a BRO rate adjustment when switching from BRO to BRO w/RAC.

2. Rate Option Changes for Large Customers:

As stated in Section 12.E. above, Large customers are defined as those customers taking service at primary distribution, subtransmission, or transmission voltages (i.e., SC Nos. 3, 7-2 (primary), 7-3 (subtransmission), or 7-4 (transmission) of this Schedule). Below are the rate option changes allowed for Large customers.

Issued in compliance with Orders in Case 01-E-0359 dated 02/27/2002 and 11/22/2002.

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