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. 36

Revision: 1

Superseding Revision: 0

GENERAL INFORMATION

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

G. Changing Electric Rate Options January 1, 2003 - December 29, 2006: (Cont'd.)

2. Rate Option Changes for Large Customers: (Cont'd.)

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

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

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

A Large 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 the 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) Large Customer - NYSEG Variable Price (VRO)

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

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

A Large 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 the 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.

3. Process for Changing to a Retail Access Rate Option, January 1, 2003 - December 29, 2006:

A customer that participates in Retail Access should consult and work with its ESCO to determine the appropriate NYSEG electric rate option. Any NYSEG Fixed Price (BRO) customer changing to a Retail Access rate option (either Competitive Supplier Price [ERO] or NYSEG Fixed Price with Supply Credit [BRO w/RAC]) will be required to provide an affirmation to its ESCO in substantially the same format as follows:

I understand that as a NYSEG Fixed Price customer of NYSEG, participating in Retail Access, I have the right to choose my commodity delivery options. My signature below (my affirmative response) indicates that I authorize the supplier providing service to me to convey my delivery option selection to NYSEG.

To effectuate the rate change option, the customer's ESCO must contact NYSEG to submit the customer's Retail Access enrollment information and rate option selection. A customer that participates in Retail Access may switch from one ESCO to another, but must maintain the same electric rate option (either Competitive Supplier Price [ERO] or NYSEG Fixed Price with Supply Credit [BRO w/RAC]).

To participate in retail access, a customer on the Variable Rate Option (VRO) may only be enrolled in the Competitive Supplier Price (ERO).

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

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