

PSC No: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: May 12, 2004

Leaf No. 243.1
Revision: 0
Superseding Revision:

SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(f) Plattsburgh Air Force Base (Cont'd.)

Phase-In of Rates:

1. Eligible customers' bills subject to this Special Provision will be calculated pursuant to the methodology historically used by PARC (the "PARC Method") and pursuant to the NYSEG Fixed Price (BRO) rate effective January 1, 2003, as specified in the otherwise applicable Service Classification of this Schedule.

If an eligible customer would incur an increase under the NYSEG Fixed Price (BRO) rate, such customer will pay the bill calculated pursuant to the PARC Method plus the following percentages of the difference between the bill calculated at NYSEG's Fixed Price (BRO) rate and the bill calculated using the PARC Method (inclusive of incentives, but exclusive of taxes which will be added to the eligible customer's bill.):

- (i) immediately upon PSC approval of this Special Provision, for a twelve month period thereafter: twenty-five percent (25%)
- (ii) commencing one year after the commencement of the rate described in (i) above: sixty percent (60%)
- (iii) commencing on the earlier of one year after the commencement of the rate described in (ii) above or January 1, 2006, the customer will be required to pay the full applicable NYSEG tariff rate.

If an eligible customer would not incur an increase under a bill calculated at the applicable NYSEG Fixed Price (BRO) rate, the customer will be billed at the applicable NYSEG Fixed Price (BRO) rate.

2. Customers eligible for this Special Provision may select a retail access option, [Competitive Supplier Price (ERO) or the NYSEG Fixed Price with Supply Credit (BRO w/RAC)], as specified in General Information Section 12, Customer Advantage Program, and the otherwise applicable Service Classification of this Schedule, and in accordance with this Special Provision. A customer may alternatively select the Variable Price Option (VRO) as specified within each applicable Service Classification. If a retail access option or VRO is selected, the customer selecting such option will not receive the Phase-In as specified in this Special Provision. A customer who selects a retail access option and later returns from retail access to NYSEG commodity service (BRO or VRO), will not be eligible for the Phase-In.

A customer electing ERO or BRO w/RAC must adhere to the process set forth in Section 12.G.3, Process for Changing to a Retail Access Rate, of this Schedule. The Energy Services Company ("ESCO") shall contact NYSEG directly to convey the customer's retail access rate option selection and retail access enrollment.

Issued in compliance with order in Case 03-E-1552 dated November 28, 2003.

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