Received: 10/22/2003
Status: CANCELLED
Effective Date: 12/01/2003

SERVICE CLASSIFICATION NO. 7 (Continued)

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

Transition Charge (Non-Bypassable Wires Charge ["NBWC"]):

All customers served under this Service Classification, taking service under the NYSEG Variable Price (VRO) rate will be required to pay a Transition Charge (NBWC), as further described under Rate Choice No. 1, Competitive Supplier Price (ERO).

Commodity Service

The charge for Electric Power Supply provided by NYSEG will fluctuate with the market price of electricity and will include the following components: energy, Energy Losses (which include Unaccounted For Energy), Unforced Capacity (UCAP), UCAP Reserves, and UCAP Losses. This charge is determined using the same methodology as described above in this Service Classification under the detailed explanation of the Retail Access Credit (applied to the NYSEG Fixed Price with Supply Credit, Rate Choice No. 2); items "a" (Energy) and "b" (Capacity).

In the event that NYSEG determines that it will incur an estimated gain or loss because purchases for VRO customers were made in the real-time market at prices differing from those in the day-ahead market, NYSEG will credit or recover the full amount of the estimated gain or loss through the non-bypassable wires charge from VRO customers.

MINIMUM CHARGE:

The minimum charge for service under this Service Classification is the monthly Customer Charge as listed above or unless otherwise stated in the applicable special provisions.

The minimum charge for customers who choose to take all or part of their back-up or maintenance service under this service classification rather than under NYSEG's Service Classification No. 11 is described in the "DETERMINATION OF DEMAND" section.

Cancelled effective 05/22/2006.