

PSC No: 120 - Electricity
New York State Electric and Gas Corporation
Initial Effective Date: December 1, 2003

Leaf No. 132
Revision: 0
Superseding Revision:

SERVICE CLASSIFICATION NO. 2 (Continued)

RATE CHOICES AVAILABLE TO CUSTOMERS: (Cont'd.)

4. NYSEG Variable Price (VRO)

This Non-Retail Access choice includes a fixed component for NYSEG delivery service, a fluctuating Transition Charge (Non-Bypassable Wires Charge [NBWC]) and a commodity charge for electricity supplied by NYSEG which fluctuates with the market price of electricity.

RATE: (Per Meter, Per Month)

Delivery Service:

| | |
|---|-----------|
| Customer Charge | \$ 10.00 |
| Demand Charge (All kilowatts, per kilowatt) | \$ 9.15 |
| Energy Charge (All kilowatt-hours, per kilowatt-hour) | |
| Up to and including 200 hours use of metered demand | \$0.01012 |
| Over 200 hours use and up to and including 350 hours use of metered demand | \$0.00911 |
| Over 350 hours use of metered demand | \$0.00729 |
| Reactive Charge Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour | \$0.00095 |

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).

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