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

PSC NO: 121 ELECTRICITY NEW YORK STATE ELECTRIC & GAS CORPORATION

NEW YORK STATE ELECTRIC & GAS CORPORATIONInitial Effective Date: 12/01/03

Revision: 0

Superseding Revision:

Leaf: 16

SERVICE CLASSIFICATION NO. 1 (Cont'd.)

RATE:

The charge for service each calendar month shall be the sum of one-twelfth of the annual energy charge, plus one-twelfth of the annual operation and maintenance charge for luminaires and other facilities in service as of the first of each month. Annual energy use will be the sum of monthly energy use calculated as explained on Leaf Nos. 4 and 5 of this Schedule.

RATE CHOICES AVAILABLE TO CUSTOMERS:

Pursuant to NYSEG's Electric Rate Plan and Customer Advantage Program, General Information Section 12 of Schedule PSC 120, customers served under this Service Classification will choose from four different electric rate choices offered by the Company as described below. NYSEG will offer two Retail Access rate choices and two Non-Retail Access rate choices.

The two Retail Access choices (1 and 2 below) consist of the Competitive Supplier Price (also known as the ESCO Rate Option ["ERO"] in the Electric Rate Plan), and the NYSEG Fixed Price with Supply Credit (also known as the Bundled Rate Option with Retail Access ["BRO w/RAC"] in the Electric Rate Plan). The two Non-Retail Access choices (3 and 4 below) include the NYSEG Fixed Price (also known as the Bundled Rate Option ["BRO"], and the NYSEG Variable Price (also known as the Variable Rate Option ["VRO"].

NYSEG will provide <u>Delivery Service only</u> for the two Retail Access choices. Commodity Service will be provided by an Energy Services Company (ESCO).

1. Competitive Supplier Price (ERO)

This Retail Access choice includes a fixed component for NYSEG delivery service, which reflects a credit of \$0.004 per kWh, and a fluctuating Transition Charge (Non-Bypassable Wires Charge ["NBWC"]) described in this section. Pursuant to the Electric Rate Plan, the \$0.004 per kWh credit will apply unless and until replaced by the Commission in the Unbundling Track, Case No. 00-M-0504.

Issued by: James A. Lahtinen, Vice President - Rates & Regulatory Economics, Binghamton, NY