

PUBLIC NOTICE

New York State Electric & Gas Corporation (NYSEG)

NYSEG has filed tariff revisions with the New York State Public Service Commission (PSC) in compliance with the PSC's September 21, 2010 rate order regarding new electricity and natural gas **delivery** rates to become effective September 26, 2010.

Customers may see some charges prorated on a September or October bill to take into account energy delivered before and after the new energy delivery rates went into effect.

The tariff revisions that have been filed to reflect a \$16.4 million change in electricity revenue and a \$9.9 million increase in natural gas delivery revenue. These are NYSEG's first delivery rate increases since the mid-1990s.

A residential electricity customer with an average use of 600 kilowatt-hours/months can expect an average monthly bill increase of \$2.02. A residential natural gas heating customer using 1,044 therms/year can expect an average monthly bill increase of \$6.53.

NYSEG Supply Customers: The merchant function charge, which reflects the administrative costs of obtaining electricity and natural gas supply, is now a variable charge each month instead of a fixed charge.

NYSEG Supply Customers and ESCO Customers Receiving a Separate ESCO Bill: Bill issuance charges now appear as one charge (previously customers received a separate bill issuance charge for each meter) and the charge is now listed under "Miscellaneous Charges." Any applicable taxes on the bill issuance charge that were previously included in the Delivery Charge section of the bill are now itemized in the "Miscellaneous Charges" section.

NYSEG Customers Enrolled in Budget Billing: Any miscellaneous charges (such as the bill issuance charge and taxes on the bill issuance charge) are not part of the monthly budget calculation, but are added to the total monthly bill. A "Miscellaneous Charge" that appears on page one of the bill is added to the Budget Installment. See the "Miscellaneous Charges" section of the bill for details.

Residential Customers

Service class delivery rate changes have been made to electricity customer charges, electricity demand and energy charges (where applicable), natural gas minimum charges and natural gas therm charges. Please see nyseg.com for further details.

Regular Residential Customers: The electric customer charge and the natural gas minimum charge increased by \$2.00 per month.

Day/Night and Time-of-Use Customers: Delivery rates are now the same for on-, mid- and off-peak hours.

Seasonal Rate Customers: Service Class 8 seasonal customers are no longer charged the same rate as regular residential customers (Service Class 1). They will be charged the Service Class 8 rate.

Nonresidential Customers

Service class delivery rate changes have been made to electricity customer charges, electricity demand and energy charges (where applicable), natural gas minimum charges and natural gas therm charges. Please see nyseg.com for further details.

Additional changes are now in effect for standby, street lighting, industrial high load factor and economic development rates. Please check page 2 of your bill for bill messages and nyseg.com (click on "Your Account" then on "Reading Your Bill") for specific information for various service classifications.

Regarding energy **supply**: If you purchase energy supply from NYSEG, your price will continue to be based on market prices; if you purchase your energy supply from a supplier other than NYSEG (also known as an energy services company or ESCO), what you pay for energy supply depends on your agreement with your ESCO.

Completed details of the tariff revisions are available at nyseg.com.