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PSC NO: 120 ELECTRICITY NEW YORK STATE ELECTRIC & GAS CORPORATION

Initial Effective Date: 01/01/04

STATEMENT OF EFFECTIVE TAX SURCHARGE FACTORS

The rates and charges for service under all Service Classifications will be increased by dividing the total of such rates and charges by a surcharge factor which collects Gross Income Tax in accordance with Section 6 (a) of PSC No. 120 and Section 4 (a) of PSC No. 121; plus, where applicable, the 1% municipal tax rate, the Temporary Metropolitan Transportation Business Tax Surcharge, in accordance with Sections 6 (b) and (c) of PSC No. 120 and Sections 4 (b) and (c) of PSC No. 121. For cities, villages or other areas served, the applicable surcharge factors are as follows:

*** COUNTIES OF WESTCHESTER, PUTNAM, DUTCHESS AND ORANGE ***

Cities or Villages: Surcharge Factor; Bundled: .974439 Delivery Only: .980705 Village of Walden

All Other Areas: Surcharge Factor; Bundled: .984383 Delivery Only: .980705

Cities: Surcharge Factor;	Bundled: .979890	Delivery Only: .986191	
Auburn	Elmira	Ithaca	Norwich
Binghamton	Geneva	Lockport	Oneonta
Corning	Hornell	Mechanicville	

Villages: Surcharge Factor; Bundled: .979890 Delivery Only: .986191

Addison **Deposit** Liberty Port Byron Alden Dryden Lyons Port Dickinson Alfred Dundee Macedon Riverside Marcellus Round Lake Almond East Aurora Arkport Elbridge Monticello Seneca Falls Aurora Elmira Heights Montour Falls Sidney Silver Creek Blasdell Forestville Moravia Franklin Burdett Morrisville Sloan Canaseraga Gowanda Newark South Dayton Canisteo Hamburg Newark Valley Stamford Cayuga Hammondsport North Hornell Trumansburg Cayuga Heights Hobart Orchard Park Unadilla Cherry Creek Interlaken **Union Springs** Owego Cooperstown Johnson City Painted Post Van Etten Clyde Walton Jordan Palmyra Dannemora Keeseville Penn Yan Warsaw Dansville Waterloo Lancaster Perry Delhi Lansing Philmont Weedsport Depew Leicester Woodridge

All Other Areas: Surcharge Factor; Bundled: .989890 Delivery Only: .986191

Issued in compliance with order in Case 00-M-1556 dated 06/28/01.

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