PSC No: 120 - Electricity New York State Electric & Gas Corporation Initial Effective Date: November 1, 2010 Issued in compliance with Order in Case 09-E-0715 dated September 21, 2010. Leaf No. 166 Revision: 21 Superseding Revision: 20

SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(d) Economic Incentives: (Cont'd)

(3) Economic Development Zone Incentive: (Cont'd.)

Effective through 8/31/12:

All customers will be subject to the otherwise applicable standard service classification rates, including the Transition Charge, Commodity, and Merchant Function and Bill Issuance Charges, if applicable, System Benefits Charge, Renewable Portfolio Standard, Temporary State Assessment Surcharge, and Revenue Decoupling Mechanism in accordance with the standard NSS, ESS, or Hourly Pricing rates for this Service Classification.

Effective 9/01/12:

All customers will be required to pay the Commodity, Merchant Function and Bill Issuance Charges, if applicable, System Benefits Charge, Renewable Portfolio Standard, Temporary State Assessment Surcharge, and Revenue Decoupling Mechanism in accordance with the standard NSS, ESS, or Hourly Pricing rates for this Service Classification. Hourly Pricing customers will also be billed the Hourly Meter Charge and Electric Capacity Charge in accordance with the Hourly Pricing rates for this Service Classification.

Such customers will be exempt from paying the Transition Charge. If it is determined that a bill calculated with the incentive exceeds a bill calculated under the otherwise applicable standard service classification rates, the customer will pay the lower of the two bills.

	Effective Date		
PRIMARY VOLTAGE	9/26/10	9/01/11	9/01/12
Delivery Charges			
Customer Charge	\$50.59	\$53.91	\$55.41
Meter Ownership Charge	\$2.29	\$2.29	\$2.29
Meter Service Charge	\$11.58	\$11.58	\$11.58
Meter Data Service Charge (Meter Reading)	\$3.53	\$3.53	\$3.53
Demand Charge (All kilowatts, per kilowatt)	\$4.59	\$4.62	\$4.70
Energy Charge (All kilowatt-hours, per kilowatt-hour)	\$0.00364	\$0.00384	\$0.00356
Reactive Charge Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour	\$0.00078	\$0.00078	\$0.00078

The qualified load receiving the incentive will be billed at the following applicable delivery rates:

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York