Received: 11/09/2006

Status: CANCELLED Effective Date: 01/01/2007

PSC No: 120 - Electricity

New York State Electric & Gas Corporation

Initial Effective Date: January 1, 2007

Leaf No. 136

Revision: 4

Superseding Revision: 1

SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(b) Fluctuating Loads:

When service is rendered solely for equipment having a highly fluctuating or large instantaneous demand, such as X-rays, welders, etc., and a separate or larger transformer for such service is required, the minimum monthly charge will not be less than 50¢ per KVA of such additional transformer capacity.

(c) Billing Duration:

Billing for service under this Service Classification shall continue for at least 11 months after the establishment of a demand in excess of 5 kW unless service is terminated for not less than one year under the terms of the "Cessation of Service" section of P.S.C. No. 119 or superseding issues thereof.

(d) Budget Billing:

Customers may, by signing an application, be billed monthly in accordance with the plan set forth in Section 4-O of P.S.C. No. 119 - Electricity or superseding issues thereof.

(e) Submetering:

Submetering may be available according to certain conditions as explained in the general information leaves of this schedule, Section 2. Submetering.

(f) Economic Incentives:

Customer load supplied by the New York Power Authority (NYPA) is not eligible to receive an economic incentive.

(1) Economic Revitalization Incentive:

As provided in General Information Section 7, this provision is no longer available to additional customers on or after January 1, 2007.

Customers who qualify under the Economic Revitalization Incentive (ERI) in Section 7 of the General Information section of this Schedule shall take service under the applicable NYSEG Fixed Price Option (FPO) rate, as specified in this Service Classification and Section 25, Pricing Options Effective January 1, 2007, for the qualified incented load.

Such customers will have their service bills reduced, for a term of 36 months, by an incentive rate of \$.01 per kilowatt-hour for all qualified kilowatt-hours used thereunder. For two subsequent 12-month phase-out terms, the incentive rate will be multiplied by .66 and .33 for each term, respectively.

(2) Economic Development Incentive:

As provided in General Information Section 8, this provision is no longer available to additional customers on or after January 1, 2007.

Customers who qualify, under the Economic Development Incentive (EDI) in Section 8 of the General Information section of this Schedule, to receive an incentive for load qualified prior to July 1, 2003 shall take service under the applicable NYSEG Fixed Price Option (FPO) rate, as specified in this service classification and Section 25, Pricing Options Effective January 1, 2007, for the qualified incented load.

Such customers will have their service bills reduced, for a term of 60 months, by an incentive rate of \$.015 per kilowatt-hour for all qualified kilowatt-hours used thereunder.

Issued in compliance with order in Case No. 05-E-1222 dated 08/23/06.

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