PSC No: 120 - Electricity New York State Electric & Gas Corporation Initial Effective Date: November 1, 2006 Leaf No. 117.13 Revision: 0 Superseding Revision:

GENERAL INFORMATION

25. Pricing Options effective January 1, 2007: (cont'd.)

F. Customer Eligibility Criteria:

Except as specified in this Section 25.F., all customers are eligible to select an electric rate option.

1. Incentive Rate and Non-Incentive Rate Load:

Customers receiving an Economic Incentive for load qualified prior to July 1, 2003 or Interruptible service shall be served under the NYSEG Fixed Price Option (FPO) rate for the load receiving such incentive (Incentive Load).

Customers receiving the Economic Development Incentive (EDI), the Economic Development Zone Incentive (EDZI), or the Incubator Development Incentive (IDI), for load qualified between July 1, 2003 and December 31, 2006, may select a rate option, for such qualified Incentive Load, as specified in the applicable Special Provision for Economic Incentives of the respective service classifications.

Customers qualified on or before December 31, 2006 for the Economic Revitalization Incentive (ERI), or Self-Generation Deferral Incentive (SGDI) shall be served under the applicable NYSEG Fixed Price Option (FPO) rate for the qualified Incentive Load.

The Non-Incentive Load (defined as load that is not served under special contract, an economic incentive or discounted rate) can be served under any of the rate choices available to customers in the applicable service classifications. A customer who has Non-Incentive Load, in addition to Incentive Load that qualified on or after July 1, 2003, may select a different rate option for the Non-Incentive Load than for the Incentive Load, unless prohibited by the terms of the Special Provisions for the customer's economic incentive. Such customers eligible to choose more than one rate option, but who choose only one option for their account at the time of enrollment, will have that selected option applied to all eligible usage on that account.

2. Residential Seasonal Customers

A residential customer who is taking service under Special Provision (a) of SC Nos. 1 or 8 (Seasonal Service) is eligible only for the NYSEG Fixed Price Option (FPO) or the ESCO Option with Supply Adjustment (EOSA) rate.

3. Customers Applying for Service

Customers applying for service during the Commodity Option Period will have 60 days to elect a rate option. If a customer applying for service does not elect a rate option, NYSEG will bill the customer at the appropriate default rate as explained in Section 25.H. When a customer contacts NYSEG with their choice of rate option, that option will be applicable to usage on and after the next regularly-scheduled estimated or actual meter reading date after such contact. If a customer is new or has moved within the Company's service territory elects the FPO on or after April 1 of the Commodity Option Period, the customer will be billed at that April 1 version of the FPO for the remainder of the Commodity Option Period.

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