PSC No: 120 - Electricity New York State Electric & Gas Corporation Initial Effective Date: January 1, 2008 Leaf No. 228 Revision: 14 Superseding Revision: 12

SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(d) Economic Incentives: (Cont'd)

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

An Economic Incentive Rate (EIR) Statement setting forth the annual incentive rate will be filed with the Public Service Commission on not less than three (3) days' notice. Such statement can be found at the end of this Schedule (PSC 120 - Electricity).

All customers will be required to pay Transition Charges, and Commodity and Merchant Function Charges, if applicable, in accordance with the standard FPO, VPO or EPO rates for this Service Classification.

The qualified incented load will be billed at the following applicable FPO, VPO, or EPO delivery rates:

NYSEG Fixed Price Option (FPO):

VOLTAGE SECONDARY S.C. 7-1 DISTRIBUTION	
Customer Charge	\$0.26
Bill Issuance Charge	\$0.89
Meter Ownership Charge	\$2.79
Meter Service Charge	\$3.58
Meter Data Service Charge	\$3.39
(Meter Reading)	
Demand Charge	6.24
On-Peak Service	
Energy Charge (All kilowatt-hours, per kilowatt-hour)	\$0.00176
Reactive Charge Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour	\$0.00095

Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

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