PSC No: 120 - Electricity New York State Electric & Gas Corporation Initial Effective Date: March 1, 2006 Leaf No. 166 Revision: 9 Superseding Revision: 6

SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(d) Economic Incentives: (Cont'd)

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

The incentive rate for such qualified load billed at EPO or VPO may change monthly due to the fluctuating Transition Charge. An Economic Incentive Rate (EIR) Statement setting forth the monthly incentive rates for each rate option will be filed with the Public Service Commission on not less than three (3) days' notice prior to the first day of each month. Such statement can be found at the end of this Schedule (PSC 120 - Electricity).

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

NYSEG Fixed Price Option (FPO)*:

PRIMARY VOLTAGE	Effective Date*
	01/01/07
Customer Charge	\$72.10
Bill Issuance Charge	\$0.94
Meter Ownership Charge	\$3.17
Meter Service Charge	\$3.11
Meter Data Service Charge	\$0.68
(Meter Reading)	
Demand Charge	
(All kilowatts, per kilowatt)	\$5.94
Energy Charge	
(All kilowatt-hours, per kilowatt-hour)	
Up to and including 200 hours use of metered demand	\$0.00961
Over 200 hours use and up to and including 350 hours use of metered demand	\$0.00916
Over 350 hours use of metered demand	\$0.00833
Transition Charge	
(All kilowatt-hours, per kilowatt-hour)	\$0.00065
Commodity Charge	
(All kilowatt-hours, per kilowatt-hour)	\$0.09430
Reactive Charge Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour	\$0.00095
Merchant Function Charge (All kilowatt-hours, per kilowatt-hour)	\$0.0005

* These rates may be revised every six months on April 1 and October 1 of each year, as explained in Rate Choices Available to Customers, NYSEG Fixed Price Option (FPO), in this Service Classification.

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