PSC No: 120 - Electricity New York State Electric & Gas Corporation Initial Effective Date: March 1, 2006 Leaf No. 168 Revision: 3 Superseding Revision: 0

SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

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

ESCO Price Option (EPO):

RATE: (Per Meter, Per Month)

Effective Date	Primary	Subtransmission
01/01/07	Voltage	Voltage
Customer Charge	\$72.10	\$109.28
Bill Issuance Charge	\$0.94	\$0.94
Meter Ownership Charge	\$3.17	\$2.78
Meter Service Charge	\$3.11	\$2.96
Meter Data Service Charge	\$0.68	\$3.05
(Meter Reading)		
Demand Charge		
(All kilowatts, per kilowatt)	\$5.94	\$2.52
Energy Charge		
(All kilowatt-hours, per kilowatt-hour)		
Up to and including 200 hours use of metered demand	\$0.00961	\$0.00242
Over 200 hours use and up to and including 350 hours use of metered demand	\$0.00916	\$0.00217
Over 350 hours use of metered demand	\$0.00833	\$0.00174
Reactive Charge Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour	\$0.00095	\$0.00095

(4) Economic Development Power:

Customers who qualify for the special Economic Development Power rate provision pursuant to Section 10 of the General Information Section of this Schedule, will have such power billed in accordance with the Special Provision therein. The customer's power requirements in excess of the Economic Development Power will be billed at SC No. 7 rates applicable to the customer's voltage level.

(5) Self-Generation Deferral Incentive ("SGDI"):

As provided in Section 11 of the General Information section of this Schedule, this provision is no longer available to additional customers on or after January 1, 2007.

Customers who qualify for the Self-Generation Deferral Incentive (SGDI) under Section 11 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 12, Customer Advantage Program, of this Schedule.

Such customers will have their service bills subject to a cents per kilowatt-hour price cap in accordance with the SC No. 7 Special Provision (d)(6), Self-Generation Deferral Incentive.

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