PSC No: 120 - Electricity New York State Electric and Gas Corporation Initial Effective Date: March 1, 2006 Leaf No. 274 Revision: 4 Superseding Revision: 2

SERVICE CLASSIFICATION NO. 9 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(g) Economic Incentives:

(1) Small Business Growth Incentive ("SBGI"):

As provided in Section 19 of the General Information section of this Schedule, this provision expired on December 31, 2006.

(2) Economic Development Zone Incentive ("EDZI")

Customers served under this service classification may qualify for the EDZI Special Provision. See General Information Section 9 of this Schedule for a complete description of the EDZI.

(h) Farm Waste Electric Generating System Option:

This option is for a customer qualifying for the Farm Waste Electric Generating System Option pursuant to General Information Section 22 of this Schedule and taking service under SC 9. The Company will net 67% [for DAY] of the measured electricity produced by the customer's Facility as measured on the non-demand, non-time differentiated Credit Meter with that consumed by the customer as registered on the "DAY" period of the Billing Meter and 33% [for NIGHT] of the measured electricity produced by the customer's Facility as measured on the non-demand, non-time differentiated Credit Meter with that consumed by the customer as registered on the "DAY" period of the Billing Meter and 100 the Billing Meter as provided for in General Information Section 22 of this Schedule.

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