PSC No: 87 - Gas NEW YORK STATE ELECTRIC & GAS CORPORATION Initial Effective Date: 10/01/04 Leaf No. 49 Revision: 1 Superseding Revision: 0

SERVICE CLASSIFICATION NO. 9 (CONT'D)

GENERAL SERVICE (CONT'D)

SPECIAL PROVISIONS:

A. ECONOMIC DEVELOPMENT INCENTIVE (EDI)

Customers who qualify, under the Economic Development Incentive (EDI) in Section 6 of the General Information section of this Schedule, to receive an incentive for usage qualified on or after 10/01/04 will have their service bills reduced for a term of sixty (60) months. The reduction will be based on the following discount rates for such qualified Therms in excess of the base amount established for each monthly billing period (as described in General Information Section 6 of this Schedule):

EDI Incentive Rates for Binghamton Area:

	Effective Date				
	10/01/04	10/01/05	10/01/06	10/01/07	10/01/08
Discount Rate (per Therm)					
Next 450 Therms	\$0.0238	\$0.0247	\$0.0247	\$0.0269	\$0.0000
Next 14,500 Therms	\$0.0238	\$0.0238	\$0.0238	\$0.0238	\$0.0238
Next 5,000 Therms	\$0.0238	\$0.0238	\$0.0238	\$0.0238	\$0.0238
Over 20,000 Therms	\$0.0089	\$0.0238	\$0.0238	\$0.0238	\$0.0238

Issued in compliance order in Case 01-G-1668 dated September 23, 2003

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