

PSC No: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: January 1, 2005

Leaf No. 166
Revision: 3
Superseding Revision: 2

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 ERO or VRO 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 BRO, VRO, or ERO rates:

NYSEG Fixed Price (BRO)*:

| PRIMARY VOLTAGE | Effective Date* |
|---|-----------------|
| | 01/01/05 |
| Customer Charge | \$35.00 |
| Demand Charge (All kilowatts, per kilowatt) | \$5.10 |
| Energy Charge (All kilowatt-hours, per kilowatt-hour) | |
| Up to and including 200 hours use of metered demand | \$0.08797 |
| Over 200 hours use and up to and including 350 hours use of metered demand | \$0.08752 |
| Over 350 hours use of metered demand | \$0.08670 |
| Reactive Charge Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour | \$0.00095 |

* 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 (BRO), in this Service Classification.

Issued in compliance with Orders in Case 01-E-0359 dated February 27, October 9, and November 22, 2002, and May 9, 2003.

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