

PSC NO: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: February 1, 2007

Statement Type: EIR
Statement Number: 40

Economic Incentive Rate Statement

A customer receiving an Economic Development Incentive (EDI) or Economic Development Zone Incentive (EDZI) for kilowatt-hour (kWh) usage attributable to load qualified on or after July 1, 2003, or a customer receiving an Incremental Load Incentive (ILI), will have its service bills reduced by the following incentive rate per kWh, for all qualified kWhs:

Service Classification Nos. 2, 3, or 7 -- EDI Load:

| Rate Option* | Incentive Rate, per kWh |
|---|-------------------------|
| NYSEG Fixed Price Option – Effective January 1, 2007 | \$0.0061 |
| ESCO Price Option (EPO) or NYSEG Variable Price Option (VPO) | \$0.0017 |

Service Classification Nos. 2, 3, or 7 – EDZI or ILI Load:

| Rate Option* | Incentive Rate, per kWh |
|---|-------------------------|
| NYSEG Fixed Price Option – Effective January 1, 2007 | \$0.0061 |
| ESCO Price Option (EPO) or NYSEG Variable Price Option (VPO) | \$0.0017 |

* The incentive rate reduction per kWh is determined based on the customer's rate option for such qualified incented load, subject to General Information Section 25, Pricing Options Effective January 1, 2007, and the otherwise applicable service classification of PSC No. 120 – Electricity.

Issued by: James A. Lahtinen, Vice President – Rates & Regulatory Economics, Binghamton, NY