

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

Leaf No. 26
Revision: 4
Superseding Revision: 3

GENERAL INFORMATION

9. Economic Development Zone Incentive (Cont'd.)

Eligibility for Rate Options (Cont'd.)

An existing customer applying for this incentive will have 30 days from the date of application to select such rate option for the qualified incented load. Prospective customers applying for service and also applying for this incentive will have 60 days to elect such rate option.

If the customer has not elected a rate option by the time of billing, NYSEG will bill the customer on the NYSEG Variable Price Option (VPO) rate.

A customer electing FPO or VPO must contact NYSEG to convey its selection. A customer electing EPO must adhere to the process set forth in Section 25.J.2, Process for Changing to a Retail Access Rate Option. The Energy Services Company ("ESCO") will contact NYSEG directly to convey the customer's EPO rate selection and Retail Access enrollment.

10. Economic Development Power ("EDP"):

Economic Development Power within Service Classification No. 7 is available under the following conditions:

- A. To the extent necessary to maintain pre-2003 EDP delivery rates, given NYPA's obligation pursuant to its long-term contracts, EDP delivery rates will be maintained by NYSEG for the term of the Company's Electric Rate Plan as follows:

Effective January 1, 2007, customers taking EDP deliveries up to 36.1 MW will be billed at the pre-2007 EDP delivery rates.

- B. EDP deliveries exceeding the MW levels delivered as of January 1, 2007 will be delivered at the ESCO Price Option (EPO) rate (as specified in Section 25, Pricing Options Effective January 1, 2007), which includes the Transition Charge (Non-Bypassable Charge) with no limitation on quantity.

EDP deliveries will be exempt from the System Benefits Charge and the Renewable Portfolio Standard Charge effective January 1, 2007. The rates and conditions provided in this provision are subject to review by, acceptance by or approval from the Federal Energy Regulatory Commission ("FERC") to the extent of the FERC's jurisdiction.

Issued in compliance with order in Case No. 05-E-1222 dated 08/23/06.

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