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New York State Electric & Gas Corporation

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GENERAL INFORMATION

New Allocations of NYPA Power

12.

Pursuant to the Commission's <u>Order Adopting Joint Proposal on New York Power Authority Issues</u>, issued and effective July 20, 2007:

"New Allocations" are defined as all allocations of NYPA Power made to customers within the Company's service territory for whom deliveries commenced on or after June 1, 2006, and does not include allocations made under NYSEG's Federal Energy Regulatory Commission (FERC) Rate Schedule Nos. 110 or 179.

For customers receiving New Allocations of NYPA Power, such NYPA load will be served under the applicable Service Classification Nos. 2, 3, or 7 at the Company's standard ESCO Price Option (EPO) tariff rates.

- a. New Allocations of NYPA Power (i.e., Expansion Power, Replacement Power, High Load Factor Manufacturer Power, Economic Development Power), and
- b. New Allocations of power under any future NYPA power program for customers served under Service Classification Nos. 2, 3, or 7, as applicable, up to a total of 100 MW, will be exempt from the Transition Charge (Non-Bypassable Charge). Such exemption will be effective with the customer's usage beginning on or after August 1, 2007.

Should NYPA's Power For Jobs program, by that or some other name, be extended by Statute that does not include a provision for full recovery of lost revenues by NYSEG through a revenue tax credit or other mechanism, power allocations to customers participating in such NYPA program would be considered New Allocations and would contribute to the 100 MW total.

Issued in compliance with order in Case No. 05-E-1222 dated 07/20/07.

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