

PSC No: 120 - Electricity
New York State Electric and Gas Corporation
Initial Effective Date: March 1, 2006

Leaf No. 26
Revision: 2
Superseding Revision: 0

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 90 days to elect such rate option.

If the customer has not elected a rate option by the time of billing, NYSEG will bill Large customers on the NYSEG Variable Price Option (VPO) rate, and Small customers on the applicable NYSEG Fixed Price Option (FPO) rate. ("Large" and "Small" customers are defined in General Information Section 12, Customer Advantage Program, of this Schedule, at subsection C.3. Customers Applying for Service.)

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 12.G.3, Process for Changing to a Retail Access Rate. 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 Extension as follows:
 - 1. Effective January 1, 2007, NYSEG will deliver 20.7 MW to the then current EDP customers at the pre-2003 EDP delivery rates.
 - 2. EDP deliveries exceeding the 20.7 MW levels delivered as of January 1, 2007 will be delivered at the ESCO Price Option (EPO) rate (as specified in Section 12, Customer Advantage Program, of this Schedule), which includes the Transition Charge (Non-Bypassable Charge).

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.

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