

PSC NO: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: October 1, 2004

Statement Type: EIR
Statement Number: 12

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, 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 – Effective January 1, 2003 (BRO ₁) | \$0.0150 |
| NYSEG Fixed Price – Effective April 1, 2003 (BRO ₂) | \$0.0116 |
| NYSEG Fixed Price – Effective October 1, 2003 (BRO ₃) | \$0.0150 |
| NYSEG Fixed Price – Effective April 1, 2004 (BRO ₄) | \$0.0137 |
| NYSEG Fixed Price – Effective October 1, 2004 (BRO ₅) | \$0.0128 |
| Competitive Supplier Price (ERO) or NYSEG Variable Price (VRO) | \$0.0149 |

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

| Rate Option* | Incentive Rate, per kWh |
|---|-------------------------|
| NYSEG Fixed Price – Effective January 1, 2003 (BRO ₁) | \$0.0186 |
| NYSEG Fixed Price – Effective April 1, 2003 (BRO ₂) | \$0.0116 |
| NYSEG Fixed Price – Effective October 1, 2003 (BRO ₃) | \$0.0156 |
| NYSEG Fixed Price – Effective April 1, 2004 (BRO ₄) | \$0.0137 |
| NYSEG Fixed Price – Effective October 1, 2004 (BRO ₅) | \$0.0128 |
| Competitive Supplier Price (ERO) or NYSEG Variable Price (VRO) | \$0.0149 |

* 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 12, Customer Advantage Program, and the otherwise applicable service classification of PSC No. 120 – Electricity.

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