PSC No: 120 - Electricity New York State Electric & Gas Corporation Initial Effective Date: January 1, 2010 Leaf No. 243 Revision: 7 Superseding Revision: 5

SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(d) (10) Incremental Load Incentive (ILI)

Customers who qualify under the Incremental Load Incentive (ILI) in Section 19 of the General Information section may select one of the following rate options, as specified in this Service Classification and Section 25, Supply Service Options, for all of their load: 1) NYSEG Supply Service (NSS), 2) ESCO Supply Service (ESS), or 3) Hourly Pricing.

Such customers will receive the incentive for a term of 60 months. Such customers will be exempt from paying the Transition Charge. If it is determined that a bill calculated with the incentive exceeds a bill calculated under the otherwise applicable standard service classification rates, the customer will pay the lower of the two bills.

Customers transitioning from the Incubator Development Incentive will be phased in as follows:

Per kilowatt-hour, for all qualified kilowatt- hours	Effective Date	
	01/01/2010	01/01/2011
	\$0.010	\$0.005

At any time during the phase in, an IDI customer may make a one-time election to receive the ILI discount on the qualified kilowatthours instead of the phase in. Once a customer has made this election, they will not be allowed to return to the phase in.

(e) Billing Duration:

Service Classification No. 2 customers who opt for service under Service Classification No. 7 for the first time must remain on the Time-Of-Use rate for a period of not less than six months prior to becoming eligible to return to Service Classification No. 2. If a customer returns to Service Classification No. 2, the customer must remain a Service Classification No. 2 customer for at least 18 months before again becoming eligible for Service Classification No. 7. If the customer again opts for Service Classification No. 7, the customer must remain on Service Classification No. 7 in conformance with the TERM as set forth herein.

(f) RESERVED FOR FUTURE USE

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