

PSC No: 87 - Gas
New York State Electric & Gas Corporation
Initial Effective Date: 09/26/10
Issued in compliance with Order in Case 09-G-0716 dated 09/21/10

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GENERAL INFORMATION

6. ECONOMIC DEVELOPMENT INCENTIVE (EDI):

This incentive is no longer available to additional customers on or after September 26, 2010. A customer served under this provision as of 09/26/10 will be permitted to continue such service until the customer's incentive term expires.

Upon application, a prospective customer, or an existing customer investing in additional gas-utilizing equipment, that is a Commercial or Industrial customer eligible for service under Service Classification Nos. 2, 8, or 9 of this Schedule may qualify for the Economic Development Incentive ("EDI"). The EDI will be in the form of a reduction, as stated in the applicable Special Provision, to the rates of the respective service classifications for qualified gas usage during a term of 60 months.

An eligible "prospective customer" is hereby defined as a business entity which demonstrates that: a) its activities are largely or entirely different in nature from that of the previous customer or b) if the activities are not different, the owner(s) is different; or c) business has not been conducted at the premises for at least 6 months prior to the application for EDI benefits; or (d) the predecessor customer is in bankruptcy and the applicant has obtained the business in a liquidation sale.

An eligible "existing customer" is hereby defined as a business entity that does not qualify as a prospective customer and is presently taking gas service from the Corporation's system, thus establishing a base load. Such customer, upon application and qualification, must add equipment to increase its facility's existing usage to qualify for this incentive, which is solely applicable to such increased load.

All such above-described eligible customers, except "Retail Trade" customers taking service under Service Classification Nos. 2, 8 or 9 will qualify for this incentive by installing equipment as follows: for a "process" customer, qualification is achieved by the installation of new or additional gas-utilizing equipment rates at 3.5 Therms or more per hour; for a "space conditioning" customer or a "space conditioning and process" customer, qualification is achieved by the installation of new or additional gas-utilizing equipment rated at 10 Therms or more per hour. Retail Trade customers are classified by the Standard Industrial Classification Manual (1972 edition as amended or superseded) as "Retail Trade: under Division G encompassing Major Groups 52 through 59.

A qualified customer will have its monthly service bills reduced by the per Therm amount stated in the applicable Special Provision of each eligible service classification, for all qualifying Therms in excess of a base amount of Therms established for each monthly billing period. For an existing customer, the base amount of Therms will be based on a one-year historical period, actual or estimated as determined by the Corporation prior to qualification for this incentive. For a prospective customer, the base amount of Therms will be zero. Each month, the excess Therms qualifying for this incentive will be limited to a monthly average of 730 hours times the hourly rating of the gas-utilizing equipment initially installed to qualify for this incentive.

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