

PSC No: 120 - Electricity  
New York State Electric and Gas Corporation  
Initial Effective Date: January 1, 2007

Leaf No. 254  
Revision: 2  
Superseding Revision: 0

SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(i) Hourly Pricing – Mandatory and Voluntary (Cont'd.)

Voluntary: (Cont'd.)

Additionally, Hourly Pricing is voluntary to a customer having a metered demand of 1,000 kilowatts or greater during any two of the previous 12 months and is participating in any of the Company's Economic Incentives without a restriction for their Electricity Supply Pricing Option that received the Economic Incentive beginning on or prior to December 31, 2006. A customer with a restriction for their Electricity Supply Pricing Option (*e.g.*, a customer that qualified for an Economic Incentive prior to July 1, 2003) will be exempt from Hourly Pricing until the term of the customer's Economic Incentive expires. See the chart below stating the portion of a customer's load to which Hourly Pricing option is applicable. Upon the conclusion of their participation in the Economic Incentive, the customer will be subject to mandatory Hourly Pricing and have two supply options, EPO or Hourly Pricing option, as described in this provision.

Economic Incentives	<b>ELECTRICITY SUPPLY PRICING OPTIONS</b> for customers having a metered demand of 1,000 kW or greater and began receiving the Economic Incentive <b>prior to</b> January 1, 2007		
	Electricity Supply Pricing Options for the load not receiving the incentive	Electricity Supply Pricing Options for the load qualified prior to July 1, 2003	Electricity Supply Pricing Options for the load qualified after July 1, 2003
Economic Development Incentive	EPO, EOSA, FPO, or VPO	FPO	EPO, FPO, VPO, or Hourly Pricing*
Economic Development Zone Incentive	EPO, EOSA, FPO, or VPO	FPO	EPO, FPO, VPO, or Hourly Pricing*
Economic Revitalization Incentive	Not Applicable	FPO	FPO
Incubator Development Incentive	Not Applicable	FPO	FPO or EOSA
Self Generation Deferral Incentive	Not Applicable	FPO	FPO

\* The customer must choose the same Electricity Supply Pricing Option for its incentive, non-incentive load and any future load.

Issued in compliance with order in Case No. 03-E-0641 dated 04/24/06.

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