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PSC No: 120 - Electricity

New York State Electric and Gas Corporation

Initial Effective Date: January 1, 2007

Leaf No. 253

Revision: 2

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SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(i) Hourly Pricing – Mandatory and Voluntary

Mandatory

Hourly Pricing is mandatory for any customer with a metered demand of 1,000 kilowatts or greater during any two of the previous 12 months. A customer taking service under Hourly Pricing will remain subject to this provision until their monthly metered demand has been less than 500 kW for 12 consecutive months, at which time the customer may be billed under another appropriate service classification upon the customer's request.

Hourly Pricing is mandatory for a customer with a metered demand of 1,000 kilowatts or greater during any two of the previous 12 months and receives a NYPA allocation commencing on or after January 1, 2007.

Hourly Pricing is mandatory for a customer with a metered demand of 1,000 kilowatts or greater during any two of the previous 12 months and receives an economic incentive commencing on or after January 1, 2007.

Economic Development Program	ELECTRICITY SUPPLY PRICING OPTIONS for customers having a metered demand of 1,000 kW or greater and began receiving the Economic Incentive on or after January 1, 2007	
	Electricity Supply Pricing Options for the load not receiving the incentive	Electricity Supply Pricing Options for load receiving the incentive
Economic Development Zone Incentive *	EPO or Hourly Pricing	EPO or Hourly Pricing
Incremental Load Incentive *	EPO or Hourly Pricing	EPO or Hourly Pricing

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

Voluntary:

Hourly Pricing is voluntary for any customer who would otherwise qualify for service under Service Classification No. 7 and has a metered demand that is less than 1,000 kilowatts during eleven of the previous 12 months. Once a customer elects Hourly Pricing, they will remain subject to this provision until their monthly metered demand has been less than 500 kW for 12 consecutive months, at which time the customer may be billed under another appropriate service classification upon the customer's request.

Hourly Pricing is also voluntary to a customer with load supplied by NYPA beginning on or prior to December 31, 2006, and would have otherwise qualified for mandatory hourly pricing (having a metered demand of 1,000 kilowatts or greater during any two of the previous 12 months). These customers will have the following supply options, all described herein, for the non-NYPA load, VPO, FPO, EPO, EOSA, in addition to Hourly Pricing until the end of their participation in the NYPA program at which time they will be subject to mandatory Hourly Pricing and have the two supply options EPO or Hourly Pricing, as described in this provision.

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

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