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PSC No: 120 - Electricity

New York State Electric & Gas Corporation

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GENERAL INFORMATION

13. Incubator Development Incentive (IDI): (Cont'd)

For customers who qualify: (Cont'd)

- The Incubator Development Incentive per kWh in effect at the time of qualification, as stated in the Special Provision of the applicable service classification, will be applied to the customer's bill for the duration of the customer's qualification. However, the incentive rate will be subject to periodic (not to exceed annual) review and possible modification, with Public Service Commission approval.
- NYSEG reserves the right to discontinue the availability of this incentive, on one year's notice, upon
 determination it is no longer economically or financially needed or feasible.
- Upon discontinuation of the incentive, NYSEG will provide the incentive on a pro-rata basis to the remaining qualified tenants for 5 years after the notification of intent to discontinue the incentive provision.
- A qualified customer may choose to take their entire service under Service Classification No. 7, for the duration of the incentive term. At the end of this term the customer may elect either to remain on the SC7 rate, or revert to the otherwise applicable service classification.
- The customer agrees to undergo a NYSEG-supplied energy audit or similar site-specific technical
 information program and to assess in good faith the resulting recommendations for inclusion in the
 customer's facility.

Eligibility for Rate Options

Customers qualifying for the Incubator Development Incentive (IDI) on or after July 1, 2003 may select the applicable NYSEG Fixed Price Option (FPO) or the ESCO Option with Supply Adjustment (EOSA) for such qualified incented load. The incentive rate reduction applicable to the qualified incented load under FPO and EOSA is set forth in the Special Provision for Economic Incentives of the respective service classifications. Under the EOSA rate option, the market-based backout will not include the Additional Component as described in General Information Section 16.D. General Retail Access, Sub-Section 13, Retail Access Credit.

A customer electing FPO must contact NYSEG to convey its rate option selection. If NYSEG is not notified of such selection, the customer will be billed at the applicable FPO rate. A customer electing the EOSA rate must adhere to the process set forth in Section 25.J.2. Process for Changing to a Retail Access Rate Option; the ESCO must contact NYSEG directly to convey the customer's EOSA rate option and Retail Access enrollment. If NYSEG does not receive the customer's enrollment from the ESCO, the customer will be billed at the applicable FPO rate.

Issued in compliance with order in Case No. 05-E-1222 dated 08/23/06.

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