

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

Leaf No. 142  
Revision: 4  
Superseding Revision: 1

SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(f) Economic Incentives: (Cont'd)

(7) Business Retention Incentive:

This provision expired on March 2, 2003. Any customers who were receiving the BRI discount as of that date, may transition to the Economic Revitalization Incentive (ERI), as described in General Information Section 7 of this Schedule, for the remainder of their five-year term.

The transition will be based on the start date of their BRI discount, and the following incentive rate reductions will apply:

- A customer in the first, second, or third year of BRI would receive the full ERI reduction for those years.
- A customer in the fourth year of BRI would receive the ERI reduction multiplied by a factor of .66 for that year.
- A customer in the fifth (and final) year of BRI would receive the ERI reduction multiplied by a factor of .33 for that year.

(8) 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, Pricing Options Effective January 1, 2007, for such qualified incentive load: 1) NYSEG Fixed Price Option (FPO), 2) NYSEG Variable Price Option (VPO), or 3) ESCO Price Option (EPO).

Such customers will have their service bills reduced, for a term of 60 months, by an incentive discount of \$2.00 per kilowatt for all qualified kilowatts used there under and by an incentive rate per kilowatt-hour for all qualified kilowatt-hours used thereunder.

The incentive rate will be the equivalent of the applicable Transition Charge (NBC), as described in this Service Classification, less the ancillary service costs and NTAC components of the Transition Charge, to the extent that the Transition Charge exceeds the ancillary service costs and NTAC components.

The incentive rate for such qualified load billed at FPO will be calculated using the Transition Charge established on November 1, or April 1 as applicable, for the sole purpose of setting the FPO rates. The incentive rate for such qualified load billed at EPO or VPO may change monthly due to the fluctuating Transition Charge. An Economic Incentive Rate (EIR) Statement setting forth the monthly incentive rates for each rate option will be filed with the Public Service Commission on not less than three (3) days' notice prior to the first day of each month. Such statement can be found at the end of this Schedule (PSC 120 - Electricity).

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

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