

PSC No: 87 - Gas
NEW YORK STATE ELECTRIC & GAS CORPORATION
Initial Effective Date: 10/01/04

Leaf No. 19
Revision: 2
Superseding Revision: 1

SERVICE CLASSIFICATION NO. 2 (CONT'D)

GENERAL SERVICE (CONT'D)

SPECIAL PROVISIONS: (CONT'D)

C. Economic Development "Zone" Incentive (EDZI): (Cont'd)

Customers who qualify, under the Economic Development Zone Incentive (EDZI) in Section 7 of the General Information section of this Schedule, to receive an incentive for usage qualified prior to 10/01/04 will have their service bills reduced for qualified usage over 100 Therms per month for a term of ten (10) years, beginning on the date of the qualifying equipment installation and operation (unless the customer's initial zone certification becomes invalid), notwithstanding the expiration of the designation of an Economic Development Zone in the area where the customer is located. The reduction will be based on the following discount rates by Area for such qualified Therms in excess of the base amount established for each monthly billing period (as described in General Information Section 7 of this Schedule):

Elmira Area	Qualified usage up through 50,000 Therms	\$0.06 per Therm
	Qualified usage over 50,000 Therms	\$0.04 per Therm
Combined Area	Qualified usage up through 50,000 Therms	\$0.07 per Therm
	Qualified usage over 50,000 Therms	\$0.05 per Therm
Champlain Area	Qualified usage up through 50,000 Therms	\$0.07 per Therm
Binghamton Area	See incentive rate description below*.	

* The applicable monthly rates under this service classification shall be reduced by fifty percent (50%) of the tailblock rate. The applicable reduction will be applied to the total load delivered to the eligible customer, but will be applied only to those quantities taken in excess of the existing load or base load of an existing customer. Minimum bill requirements under each service classification and all other provisions in this Schedule shall apply.

Customers who qualify, under the Economic Development Zone Incentive (EDZI) in Section 7 of the General Information section of this Schedule, to receive an incentive for usage qualified on or after 10/01/04 will have their service bills reduced for a term of ten (10) years following initial zone certification, beginning with the eligibility date on the zone certificate (unless the customer's initial zone certification becomes invalid), notwithstanding the expiration of the designation of an Economic Development Zone in the area where the customer is located. The reduction will be based on the following discount rates by Area for such qualified Therms in excess of the base amount established for each monthly billing period (as described in General Information Section 7 of this Schedule):

For All Areas except Champlain:

	Effective Date				
	10/01/04	10/01/05	10/01/06	10/01/07	10/01/08
Discount Rate (per Therm)					
Next 497 Therms	\$0.0475	\$0.0493	\$0.0493	\$0.0539	\$0.0679
Next 14,500 Therms	\$0.0475	\$0.0475	\$0.0475	\$0.0475	\$0.0475
Next 35,000 Therms	\$0.0475	\$0.0475	\$0.0475	\$0.0475	\$0.0475
Over 50,000 Therms	\$0.0177	\$0.0475	\$0.0475	\$0.0475	\$0.0475

Issued in compliance order in Case 01-G-1668 dated September 23, 2003

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