

PSC No: 120 - Electricity
New York State Electric and Gas Corporation
Initial Effective Date: December 1, 2003

Leaf No. 23
Revision: 0
Superseding Revision:

GENERAL INFORMATION

8. Economic Development Incentive:

Upon application, a prospective customer, or an existing customer investing in additional electricity-utilizing equipment, that is a Commercial or Industrial customer eligible for service under Service Classification Nos. 2, 3 or 7 may qualify for the Economic Development Incentive ("EDI"). The EDI will be in the form of a reduction, as stated in the applicable Special Provision, to the rates of the respective service classifications for qualified electric use during a term of 60 months.

An eligible "prospective customer" is hereby defined as a business entity which demonstrates that: a) its activities are largely or entirely different in nature from that of the previous customer or b) if the activities are not different, the owner(s) is different; or c) business has not been conducted at the premises for at least 6 months prior to the application for EDI benefits, or (d) the predecessor customer is in bankruptcy and the applicant has obtained the business in a liquidation sale.

An eligible "existing customer" is hereby defined as a business entity that does not qualify as a prospective customer and is presently taking electric service from the Corporation's system, thus establishing a base load. Such customer, upon application and qualification, must add equipment to increase its facility's existing load to qualify for this incentive, which is solely applicable to such increased load.

All such above-described eligible customers, except "Retail Trade" customers, taking service under Service Classification Nos. 2, 3 or 7 will qualify for this incentive by installing equipment with a nameplate rating of at least 25 kW for Service Classification No. 2 or 100 kW for Service Classification Nos. 3 and 7. Retail Trade customers are classified by the Standard Industrial Classification Manual (1972 edition as amended or superceded) as "Retail Trade" under Division G encompassing Major Groups 52 through 59.

A qualified customer will have its monthly service bills reduced by the per kilowatt-hour (kWh) amount stated in the applicable Special Provision, for all kWh (excluding kWh associated with load supplied by the New York Power Authority) in excess of a base amount of kWh established for each monthly billing period. For an existing customer, the base amount of kWh will be based on a one year historical period, actual or estimated as determined by the Corporation prior to qualification for this incentive. For a prospective customer, the base amount of kWh will be zero. Each month, the excess kWh qualifying for this incentive will be limited to a monthly average of 730 hours times the nameplate or rated demand of the equipment initially installed to qualify for this incentive.

A qualified customer may choose to take its entire service under Service Classification No. 7 for the duration of the 60-month incentive term and at the end of the incentive term, such customer may either remain on the Service Classification No. 7 or revert to the otherwise applicable service classification.

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