

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

Leaf No. 274
Revision: 0
Superseding Revision:

SERVICE CLASSIFICATION NO. 9 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(g) Economic Incentives:

(1) Small Business Growth Incentive ("SBGI"):

Customers who qualify under the Small Business Growth Incentive (SBGI) in Section 19 of the General Information section of this Schedule shall take service under the applicable NYSEG Fixed Price (BRO) rate, as specified in this Service Classification and Section 12, Customer Advantage Program, of this Schedule, for the qualified incented load.

Customers who are qualified for such SBGI prior to July 1, 2003 will have their service bills reduced by an incentive rate of \$.030 per kilowatt-hour, for all qualified kilowatt-hours used thereunder, through December 31, 2003.

Beginning January 1, 2004, the incentive rate will be revised annually, calculated based on the Transition Charge associated with the NYSEG Fixed Price (BRO) rates. Effective January 1, 2004, the incentive rate per kWh for qualified kWhs will be \$.0281. Annual incentive rates thereafter will be determined in conjunction with the BRO rates for the second commodity offering period, pursuant to the Company's Electric Rate Plan.

Customers who are qualified for such SBGI on or after July 1, 2003 will have their service bills reduced by an incentive rate of \$.0225 per kilowatt-hour for all qualified kilowatt-hours used thereunder.

Effective January 1, 2005, the incentive rate will be revised to be equivalent to the applicable Transition Charge associated with the NYSEG Fixed Price (BRO) rates established for the second commodity offering period, per the Company's Electric Rate Plan.

(2) Economic Development Zone Incentive ("EDZI")

Customers served under this service classification may qualify for the EDZI Special Provision. See General Information Section 9 of this Schedule for a complete description of the EDZI.

(h) Farm Waste Electric Generating System Option:

This option is for a customer qualifying for the Farm Waste Electric Generating System Option pursuant to General Information Section 22 of this Schedule and taking service under SC 9. The Company will net 67% [for DAY] of the measured electricity produced by the customer's Facility as measured on the non-demand, non-time differentiated Credit Meter with that consumed by the customer as registered on the "DAY" period of the Billing Meter and 33% [for NIGHT] of the measured electricity produced by the customer's Facility as measured on the non-demand, non-time differentiated Credit Meter with that consumed by the customer as registered on the "NIGHT" period of the Billing Meter as provided for in General Information Section 22 of this Schedule. In lieu of using the allocation factors, a customer with a TOU Billing Meter has the option of purchasing, at their expense, a TOU meter as the Credit Meter for the purpose of recording Day and Night kWh production for netting against the appropriate Billing Meter time-period kWh usage.

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