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COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 0

INITIAL EFFECTIVE DATE: 03/07/97 SUPERSEDING REVISION:

STAMPS:

Cancelled by 1 Rev. Leaf No. 45 Effective 04/13/1998

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SERVICE CLASSIFICATION NO. 8 (CONT'D)

FIRM SALES TO LARGE GENERAL SERVICE (CONT'D)

SPECIAL PROVISIONS:

A. Balanced Billing:

Customers may, by signing an application, be billed monthly in accordance with the budget plan set forth in Section 8-Q of PSC No. 30 Gas, or superseding issues thereof.

B. Economic Development "Zone" Incentive (EDZI):

Upon application, qualification and thirty (30) days' notice to the Company, an existing or prospective non-residential customer, located in an approved Economic Development Zone, who is eligible for service under this service Classification will receive an EDZI, in the form of a reduction, as stated in Special Provision C to the price per therm for use in excess of 100 Therms per month. For a "process" customer, qualification is achieved by the installation of new or additional gas-utilizing equipment rated at 1 Therm per hour or more. For a "space conditioning" customer or a "space conditioning" and "process" customer, such additional equipment requires a rating of at least 2.5 Therms per hour.

In order to qualify for the EDZI, a customer must present, upon application, the Company with the appropriate certification from the approved Economic Development Zone Administrator. A qualified customer will receive the EDZI for the duration of the "zone" designation unless a customer's initial certification(s) becomes invalid.

A customer certified by the Economic Development Zone Administrator will have his monthly service bills reduced by such stated amount per therm for all consumption in excess of a base amount of consumption established for each monthly billing period. For an existing customer, the base amount of consumption will be based on a one (1) year historical period, actual or estimated, as determined by the Company prior to qualification for the EDZI. For a prospective customer, the base amount of consumption will be zero (0). Each month, the excess therms qualifying for the EDZI will be limited to seven hundred thirty (730) hours times the hourly rating of the equipment installed to qualify for the EDZI.

Issued By: Michael I. German, Senior Vice President, Binghamton, New York
(Name of Officer, Title, Address)