Received: 12/10/1998 Status: CANCELLED Effective Date: 12/10/1998

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..TXT: PSC NO: 87 GAS LEAF: 20

COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 1

INITIAL EFFECTIVE DATE: 12/10/98 SUPERSEDING REVISION: 0

STAMPS: Issued in compliance with commission order in Case 98-G-0845 dated 12/

RECEIVED: 12/10/98 STATUS: Effective EFFECTIVE: 12/10/98

SERVICE CLASSIFICATION NO. 2 (CONT'D)

GENERAL SERVICE (CONT'D)

SPECIAL PROVISIONS: (CONT'D)

C. Economic Development "Zone" Incentive (EDZI) (Elmira, Combined and Champlain Areas): (Cont'd)

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.

The EDZI prices per therm will be applied to that Customer's bill for the duration of the Customer's valid certification. The EDZI price per therm, stated in Special Provision D, will be subject to periodic (but not more than annual) review and possible modification, with PSC approval.

- D. Economic Incentives (All Areas Except Binghamton Area):
 - 1. Customers who are qualified under the EDI in Special Provision B above will have their service bills reduced, for a term of sixty (60) months, by \$.04 per Therm in the Elmira Area, by \$.05 per Therm in the Goshen, Lockport and Combined Areas, and \$.03 per Therm in the Owego Area for such qualified therms used thereunder.
 - 2. Customers in the Elmira Area who are certified by the Economic Development Zone Administrator, under Special Provision C above, will have their service bills (for qualified use over 100 Therms per month) reduced, for the duration of the customer's valid certification, by \$.06 per Therm for use up through 50,000 Therms, per month, and \$.04 per Therm for use for over 50,000 Therms, per month, used thereunder.

Issued By: George E. Bonner, Vice President - Gas Operations & Marketing, Binghamton, NY