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New York State Electric & Gas Corporation

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SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(d) (10) Incremental Load Incentive (ILI)

Customers who qualify under the Incremental Load Incentive (ILI) in Section 19 of the General Information section may select one of the following rate options, as specified in this Service Classification and Section 25, Supply Service Options, for all of their load: 1) NYSEG Supply Service (NSS), 2) ESCO Supply Service (ESS), or 3) Hourly Pricing.

Such customers shall receive the incentive for a term of 60 months.

Customers taking service under this provision shall be subject to the otherwise applicable standard service classification rates, including the Transition Charge (Non-Bypassable Charge ["NBC"]), Commodity, Merchant Function and Bill Issuance Charges, if applicable, System Benefits Charge, Temporary State Assessment Surcharge, Reliability Support Services Surcharge, Rate Adjustment Mechanism, and Revenue Decoupling Mechanism, if applicable

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