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GENERAL INFORMATION

19. Incremental Load Incentive (ILI)

ELECTRIC SUPPLY PRICING OPTIONS

Customers qualifying for an ILI may select one of the following rate options, as specified in General Information Section 25, Supply Service Options: (1) ESCO Supply Service (ESS), (2) NYSEG Supply Service (NSS), or (3) Hourly Pricing.

The qualified ILI customer must choose the same rate option for its incentive load, non-incentive load, and any future ILI load at the facility.

If the customer has not elected a rate option by the time of billing, NYSEG will bill customers on the NSS or Hourly Pricing rate as appropriate.

A customer electing the ESS must adhere to the process set forth in Section 25.I.I., Changing Supply Service Options. The Energy Services Company ("ESCO") will contact NYSEG directly to convey the customer's ESS rate option selection and Retail Access enrollment.

BILLING

The Company will calculate bills for service supplied under the ILI in accordance with the applicable Special Provision under Service Classification Nos. 2, 3, and 7.

A qualified customer will have its monthly service bill reduced by the amount stated in the applicable Special Provision for Economic Incentives, in excess of a base amount established for each monthly billing period. For an existing customer, the base amount will be based on a one-year historical period, actual or estimated, as determined by the Corporation prior to qualification for the incentive. For a prospective customer, the base amount will be zero.

Customers transitioning from the Incubator Development Incentive will be phased in as set forth in the applicable Special Provision under the above listed Service Classifications.

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