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PSC No: 120 - Electricity

New York State Electric & Gas Corporation

Revision: 5

Initial Effective Date: January 1, 2008

Leaf No. 141

Revision: 5

Superseding Revision: 4

SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS: (Cont'd)

- (f) Economic Incentives: (Cont'd)
 - (5) Self-Generation Deferral Incentive ("SGDI"):

As provided in General Information Section 11, this provision is no longer available to additional customers on or after January 1, 2007. Existing customers will not have the option to renew at the end of their 36-month term.

Customers who qualify for the Self-Generation Deferral Incentive (SGDI) under Section 11 of the General Information section of this Schedule shall take service under the applicable NYSEG Fixed Price Option (FPO) rate, as specified in this Service Classification and Section 25, Pricing Options Effective January 1, 2008.

Such customers will have their service bills subject to a cents per kilowatt-hour price cap in accordance with the SC No. 7 Special Provision (d)(6), Self-Generation Deferral Incentive.

(6) Incubator Development Incentive ("IDI"):

As provided in General Information Section 13, this provision is no longer available to additional customers on or after January 1, 2007. Existing customers will be permitted to transition to the Incremental Load Incentive (ILI) as described in Special Provision (f).(8). Incremental Load Incentive and General Information Section 19.

Customers who qualify under the Incubator Development Incentive (IDI) in Section 13 of the General Information section of this Schedule prior to July 1, 2003 shall take service under the applicable NYSEG Fixed Price Option (FPO) rate, as specified in this Service Classification and Section 25, Pricing Options Effective January 1, 2008, for the qualified incented load.

Such customers will have their service bills reduced by an incentive rate of \$.025 per kilowatt-hour for all qualified kilowatt hours thereunder.

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