

PSC No: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: January 1, 2008

Leaf No. 142
Revision: 5
Superseding Revision: 4

SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(f) Economic Incentives: (Cont'd)

- (7) Reserved for Future Use
- (8) 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, Pricing Options Effective January 1, 2008, for such qualified incentive load: 1) NYSEG Fixed Price Option (FPO) or 2) ESCO Price Option (EPO).

Such customers will have their service bills reduced, for a term of 60 months, by an incentive discount of \$2.00 per kilowatt for all qualified kilowatts used there under and by an incentive rate per kilowatt-hour for all qualified kilowatt-hours used thereunder.

The incentive rate will be the equivalent of the applicable Transition Charge (NBC), as described in this Service Classification, less the ancillary service costs and NTAC components of the Transition Charge, to the extent that the Transition Charge exceeds the ancillary service costs and NTAC components.

An Economic Incentive Rate (EIR) Statement setting forth the annual incentive rates will be filed with the Public Service Commission on not less than three (3) days' notice. Such statement can be found at the end of this Schedule (PSC 120 - Electricity).

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