

PSC No: 120 - Electricity  
New York State Electric & Gas Corporation  
Initial Effective Date: January 1, 2007

Leaf No. 243  
Revision: 5  
Superseding Revision: 2

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, Pricing Options Effective January 1, 2007, for such qualified incentive load: 1) NYSEG Fixed Price Option (FPO), 2) NYSEG Variable Price Option (VPO), or 3) ESCO Price Option (EPO).

Such customers will have their service bills reduced, for a term of 60 months, 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.

The incentive rate for such qualified load billed at FPO will be calculated using the Transition Charge established on November 1, or April 1 as applicable, for the sole purpose of setting the FPO rates. The incentive rate for such qualified load billed at EPO or VPO may change monthly due to the fluctuating Transition Charge. An Economic Incentive Rate (EIR) Statement setting forth the monthly incentive rates for each rate option will be filed with the Public Service Commission on not less than three (3) days' notice prior to the first day of each month. Such statement can be found at the end of this Schedule (PSC 120 - Electricity).

Customers transitioning from the Incubator Development Incentive will be phased in as follows:

Per kilowatt-hour, for all qualified kilowatt-hours	Effective Date				
	01/01/2007	01/01/2008	01/01/2009	01/01/2010	01/01/2011
	\$0.0250	\$0.020	\$0.015	\$0.010	\$0.005

At any time during the phase in, an IDI customer may make a one-time election to receive the ILI discount on the qualified kilowatthours instead of the phase in. Once a customer has made this election, they will not be allowed to return to the phase in.

(e) Billing Duration:

Service Classification No. 2 customers who opt for service under Service Classification No. 7 for the first time must remain on the Time-Of-Use rate for a period of not less than six months prior to becoming eligible to return to Service Classification No. 2. If a customer returns to Service Classification No. 2, the customer must remain a Service Classification No. 2 customer for at least 18 months before again becoming eligible for Service Classification No. 7. If the customer again opts for Service Classification No. 7, the customer must remain on Service Classification No. 7 in conformance with the TERM as set forth herein.

(f) RESERVED FOR FUTURE USE

Issued in compliance with order in Case No. 05-E-1222 dated 08/23/06.

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