

PSC No: 120 - Electricity  
New York State Electric and Gas Corporation  
Initial Effective Date: March 1, 2006

Leaf No. 143  
Revision: 1  
Superseding Revision: 0

SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(f) Economic Incentives: (Cont'd.)

(9) Incremental Load Incentives ("ILI")

Customers who qualify, under the Incremental Load Incentive (ILI) in Section 25 of the General Information section of this Schedule may select one of the following rate options, as specified in this Service Classification and Section 12, Customer Advantage Program, of this Schedule, for such qualified incented 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 discount of \$2.00 per kilowatt for all qualified kilowatts used thereunder and by an incentive rate per kilowatt-hour for all qualified kilowatt-hours used thereunder.

The kWh 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 kWh 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).

(g) Complementary E.T.S. Service:

This service is available for customers with common areas pertaining to individually metered multiple dwelling units taking individually metered residential service under this Schedule and utilizing Electric Thermal Storage (E.T.S.) installations as the principal space-conditioning medium. This service will be billed under Service Classification No. 9 of this Schedule. However, the 5 kW metered demand and 2000 kWh monthly use limitations from the "Applicable to the Use of Service For" section will be waived, as long as the total metered demand requirements will not exceed 25 kW, in order to allow annual complementary E.T.S. space-conditioning and other electric service in the common areas of such multiple dwellings.

(h) Time-Of-Use Service Option:

Non-residential customers who qualify for service under S.C. No. 2 may voluntarily opt for Time-of-Use service under Service Classification No. 7 (Secondary Service). A customer who chooses to transfer to Service Classification No. 7 must initially remain on that rate for a minimum of 6 months prior to becoming eligible for a one-time return to Service Classification No. 2. This Special Provision is not available to Service Classification No. 2 customers, effective December 3, 2002.

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