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PSC No: 120 - Electricity

New York State Electric & Ga's Corporation

Revision: 2

Initial Effective Date: January 1, 2005

Leaf No. 170

Revision: 2

Superseding Revision: 1

SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(d) Economic Incentives: (Cont'd)

(8) Small Business Growth Incentive ("SBGI"):

Customers who qualify under the Small Business Growth Incentive (SBGI) in Section 19 of the General Information section of this Schedule shall take service under the applicable NYSEG Fixed Price (BRO) rate, as specified in this Service Classification and Section 12, Customer Advantage Program, of this Schedule, for the qualified incented load.

Customers who were qualified for such SBGI prior to July 1, 2003 will have their service bills reduced by an incentive rate for all qualified kilowatt-hours.

The incentive rate will be revised annually, as follows:

Effective Date	Effective Date
01/01/2005	01/01/2006
\$0.0227	\$0.0191

Customers who are qualified for such SBGI on or after July 1, 2003 will have their service bills reduced by an incentive rate of \$.0154 per kilowatt-hour for all qualified kilowatt-hours used thereunder.

(e) Controlled Load Time-of-Use Service Option:

Customers who have a total connected load of at least 25 kW, with at least 12.5 kW of that load being newly installed controlled equipment, may choose to take their entire service under Service Classification No. 7 with Time-of-Use metering. Controlled Load equipment will include, but not be limited to, Electric Thermal Storage equipment (E.T.S.), Air Conditioning equipment, Water Heating or other Heating/Cooling installations which are designed to operate advantageously during off-peak hours as defined in Service Classification No. 7.

(f) Plattsburgh Air Force Base

Eligibility:

This provision is applicable to Plattsburgh Airbase Redevelopment Corporation ("PARC") and PARC customers served by the electrical delivery system of the former Plattsburgh Air Force Base as of September 30, 2003.

Issued in compliance with orders in Case 01-E-0359 dated October 9, 2002 and May 9, 2003.

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