

PSC No: 88 - Gas
NEW YORK STATE ELECTRIC & GAS CORPORATION
Initial Effective Date: 10/01/04

Leaf No. 72
Revision: 3
Superseding Revision: 2

SERVICE CLASSIFICATION NO. 5 (CONT'D)

SMALL FIRM TRANSPORTATION SERVICE (CONT'D)

SPECIAL PROVISIONS: (CONT'D)

H. Economic Development Zone Incentive (EDZI):

Customers who qualify, under the Economic Development Zone Incentive (EDZI) in Section 34 of the General Information section of this Schedule, to receive an incentive for usage qualified prior to 10/01/04 will have their service bills reduced for qualified usage over 1,750 Therms per month for a term of ten (10) years, beginning on the date of the qualifying equipment installation and operation (unless the customer's initial zone certification becomes invalid), notwithstanding the expiration of the designation of an Economic Development Zone in the area where the customer is located. The reduction will be based on the following discount rates by Area for such qualified Therms in excess of the base amount established for each monthly billing period (as described in General Information Section 34 of this Schedule):

All Areas	\$0.05 per Therm
Binghamton Area	See incentive rate description below*.

*The applicable monthly rates under this service classification shall be reduced by fifty percent (50%). The applicable reduction will be applied to the total load delivered to the eligible customer, but will be applied only to those quantities taken in excess of the existing load or base load of an existing customer. Minimum bill requirements under each service classification and all other provisions in this Schedule shall apply.

Customers who qualify, under the Economic Development Zone Incentive (EDZI) in Section 34 of the General Information section of this Schedule, to receive an incentive for usage qualified on or after 10/01/04 will have their service bills reduced for a term of ten (10) years following initial zone certification, beginning with the eligibility date on the zone certificate (unless the customer's initial zone certification becomes invalid), notwithstanding the expiration of the designation of an Economic Development Zone in the area where the customer is located. The reduction will be in the form of a percentage discount, as stated below, reducing the rate for such qualified Therms in excess of the base amount established for each monthly billing period (as described in General Information Section 34 of this Schedule).

EDZI Percentage Discounts, by year of participation, for all Areas, after qualification, after the certificate eligibility date:

Years	Percent of Discount
1-3	60%
4	50%
5	40%
6	30%
7	20%
8-10	10%

For qualifications prior to and on or after 10/01/04, Customers who reserve sales status will be charged an additional \$0.1111 per Therm.

Issued in compliance order in Case 01-G-1668 dated September 23, 2003

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