

PSC No: 120 - Electricity  
New York State Electric and Gas Corporation  
Initial Effective Date: December 1, 2003

Leaf No. 243  
Revision: 0  
Superseding Revision:

SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(d) (10) 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 are qualified for such SBGI prior to July 1, 2003 will have their service bills reduced by an incentive rate of \$.030 per kilowatt-hour, for all qualified kilowatt-hours used thereunder, through December 31, 2003.

Beginning January 1, 2004, the incentive rate will be revised annually, calculated based on the Transition Charge associated with the NYSEG Fixed Price (BRO) rates. Effective January 1, 2004, the incentive rate per kWh for qualified kWhs will be \$.0281. Annual incentive rates thereafter will be determined in conjunction with the BRO rates for the second commodity offering period, pursuant to the Company's Electric Rate Plan.

Customers who are qualified for such SBGI on or after July 1, 2003 will have their service bills reduced by an incentive rate of \$.0225 per kilowatt-hour for all qualified kilowatt-hours used thereunder.

Effective January 1, 2005, the incentive rate will be revised to be equivalent to the applicable Transition Charge associated with the NYSEG Fixed Price (BRO) rates established for the second commodity offering period, per the Company's Electric Rate Plan.

(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

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