Received: 10/22/2003 Status: CANCELLED Effective Date: 12/01/2003

PSC No: 120 - Electricity

New York State Electric and Gas Corporation

Initial Effective Date: December 1, 2003

Leaf No. 312

Revision: 0

Superseding Revision:

SERVICE CLASSIFICATION NO. 14

APPLICABLE TO THE USE OF SERVICE FOR:

Electric service required to respond to non-residential customers' needs at a time when the electricity service markets become increasingly competitive. Through Individual Service Agreements signed under this tariff, the Corporation proposes to provide incentives and thus promote the location of new business ventures within the Corporation's territory, as well as promote the expansion of existing new or current non-residential customers. The customer shall assert via a sworn affidavit that it would not locate or expand in the Corporation's service territory, but for the combination of a comprehensive package of economic incentives or real property tax incentives and/or the award of an S.C. 14 contract. The corporation will make an independent verification of the customer's assertion. The potential cost to the customer of complying with environmental regulations sufficient to meet minimum environmental permitting requirements will be taken into consideration when determining whether a customer has a realistic competitive alternative.

The baseload (load not subject to reduced pricing under this service classification), of S.C. 14 customers will be eligible for the "Industrial/High Load Factor Rate" Provision as set forth in the otherwise applicable S.C. No. 2, 3 or 7, if such baseload meets those eligibility requirements.

A. New Customer:

1. That develops or constructs new facilities, or extensively refurbishes an existing or mothballed facility and has electric equipment with a total connected demand of at least 300 kilowatts, except at least 250 kilowatts in areas served by the Corporation where distribution facilities are "underutilized" (as determined solely by the Corporation).

- OR -

2. Certain industrial customers that participate in the Alfred University Incubator Facilities program as described in Section 26 of Chapter 839 of the Laws of 1987 (New York), and "graduate" therefrom, and locate within the developing "Ceramics Corridor" envisioned by the legislation to promote new and emerging technology enterprises in conjunction with the University and the region's industry and local government which are certified as eligible by Alfred Technology Resources Incorporated, and accepted by the Corporation.

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