

PSC No: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: August 29, 2005

Leaf No. 309
Revision: 1
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SERVICE CLASSIFICATION NO. 13 (Continued)

INDIVIDUAL ELECTRIC SERVICE AGREEMENT: (Cont'd)

- (E) The documentation, including the historic and projected financial information, will demonstrate, in a form acceptable to the Corporation, the competitive alternatives and the pricing objective needed to retain the Customer. The pricing objective shall specify the relief from the otherwise applicable standard tariff rate that is necessary to retain the Customer's load, recognizing contributions towards achieving that objective from other economic development entities.
- (F) The documentation shall also demonstrate the customer's participation in, or efforts to participate in, available State and/or local economic development programs as reviewed and attested to by the appropriate agency(ies) and Economic Development staff employed by the Corporation. To that end, the Corporation will coordinate a comprehensive program of development initiatives that are available and applicable from the private and/or public sector(s). Each Individual Electric Service Agreement will identify billing procedures provided under the economic development tariff, contract, and programs (including NYPA economic development programs), as appropriate.
- (-G) The strategic operating plan must be accompanied by a sworn affidavit of the senior manager or officer at the Customer's facility, representing that the information submitted is true and that absent the Individual Electric Service Agreement, the Customer could no longer continue to operate its existing facility in a manner consistent with recent historical practices in the Corporation's service territory. The affidavit submitted by the Customer shall also include a commitment to continue to assess in good faith the resulting recommendations from any comprehensive production analysis and energy audit for inclusion in the Customer's facility, throughout the term of the Individual Electric Service Agreement.

Terms and conditions of service included in each Individual Electric Service Agreement required for service hereunder will be established in a manner which does not unduly discriminate between similarly situated customers.

Each Individual Electric Service Agreement will be jointly filed with the Public Service Commission ("PSC") by the Corporation and the Customer pursuant to Commission Order Approving Guidelines For Flexible Rate Service Contracts, issued and effective April 14, 2005 in PSC Case 03-E-1761 (the "April 2005 Order"). The filing and any subsequent information requested by the Public Service Commission or its Staff regarding the Individual Electric Service Agreement will be subject to full confidentiality protection as a trade secret.

A quarterly report will be filed with the PSC pursuant to the April 2005 Order. The report will be subject to full confidentiality protection as a trade secret.

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.

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