

GENERAL INFORMATION - Continued

VI. Service Classification Riders (Available on Request) - Continued

RIDER J

Applicable to Service Classification Nos. 4 and 9
(Subject to the provisions thereof)

J - BUSINESS INCENTIVE RATE

(A) **Applicability:** To non-governmental Customers eligible for service under Service Classification No. 4 or 9 of this Rate Schedule and meeting the requirements of this Rider. Service under this Rider will be available to Customers commencing service under this Rider on or after April 9, 1995 provided they meet the eligibility requirements set forth below.

- (1) Eligibility: Service under this Rider will only be available to Customers who are receiving economic development benefits from state or local authorities as specified in paragraphs (a) and (b) below and to not-for-profit institutions utilizing laboratory space for biomedical research as specified in (c) below. This Rider is available to:
 - (a) Customers served in new or vacant premises receiving a substantial real property tax incentive or energy rebates under the New York City Energy Cost Savings Program; and
 - (b) Customers receiving a comprehensive package of economic incentives commencing in 1995 or thereafter, irrespective of whether the Customer's premises are new or vacant premises. Customers receiving a comprehensive package of economic incentives negotiated on or after January 1, 1998, who qualify under both this paragraph and paragraph (a) of subdivision (A) (1), will be considered to be eligible solely under this paragraph.
 - (c) Not-for-profit institutions occupying newly constructed or converted laboratory space contained within newly constructed buildings, additions to or renovations in existing buildings, or buildings newly converted to laboratory space, where such space is solely or predominantly used for biomedical research. Service under this Rider will be made available to such space and to associated administrative space within such buildings upon a showing of expected economic development benefits, including new jobs, as a result of the provision of this Rider over the long term and a showing that National Institute of Health grants will not contribute towards the cost of electric service covered by this Rider.

In addition, this service is only available to Customers taking service in premises that satisfy the distribution facilities cost test provided under subparagraph (A) (6) of this Rider and that perform or have performed an energy efficiency audit comparable to audits conducted by the Company; provided, however, that an audit will not be required for Customers who receive economic incentives as defined under subparagraph (A)(3)(b)(ii) of this Rider. Customers taking service under Rider Q will be eligible for service under this Rider for power supplied and billed by the Company for electricity requirements in excess of that supplied under Rider Q.

(General Information - Continued on Leaf No. 136)

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GENERAL INFORMATION - Continued

VI. Service Classification Riders (Available on Request) - Continued

RIDER J - BUSINESS INCENTIVE RATE - Continued

(A) Applicability - Continued

(2) Scope of Program:

- (a) Subject to the provisions of B(3) of this Rider, up to 230 megawatts will be allocated to Customers commencing service on or after April 1995 under this Rider as follows:
 - (i) Service to attraction and retention Customers will not exceed 115 megawatts in the aggregate of which 15 megawatts will be available only in Westchester County.
 - (ii) For allocations of power under this Rider pursuant to contracts negotiated by governmental economic development agencies with attraction and retention customers on or before October 2, 2000 where the Customer initiates service under this Rider on or after April 1, 2001, the governmental economic development agency shall designate whether the customer will receive its allocation of power under section (A)(2)(a) or section (A)(2)(b) of this Rider.
 - (iii) For allocations of power under this Rider pursuant to contracts negotiated by governmental economic development agencies with attraction and retention Customers on or before October 2, 2000 utilizing power made available under section (A)(2)(a)(i) where the Customer initiates service under this Rider on or after April 1, 2001, (1) service to attraction and retention customers will be made available for an initial term of service of no less than three years and no more than ten years at the percentage reduction specified in section (B)(1)(a), and (2) service under this rider will terminate after the initial term, or the initial term will be followed by a phaseout period of three to five years as specified in section (B)(1)(b). The period of the initial term and the phase-out period, if any, will be specified in the contract.
 - (iv) Service to all other Customers under section (A)(2)(a) this Rider will not exceed 115 megawatts in the aggregate.

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GENERAL INFORMATION - Continued

VI. Service Classification Riders (Available on Request) - Continued

RIDER J - BUSINESS INCENTIVE RATE – Continued

(A) Applicability – Continued

(2) Scope of Program – Continued

- (b) Beginning April 1, 2001, an additional 210 megawatts will be made available to Customers commencing service under this Rider. The additional 210 megawatts will be allocated as follows:
- (i) Service to attraction and retention Customers will not exceed 160 megawatts in the aggregate of which 140 megawatts will be available in only New York City and 20 megawatts will be available in only Westchester County.
 - (ii) For allocations of power under this Rider pursuant to contracts negotiated by governmental economic development agencies with attraction and retention Customers utilizing power made available under section (A)(2)(b) where the Customer initiates service under this Rider on or after April 1, 2001, (1) service to attraction and retention customers will be made available for an initial term of service of no less than three years and no more than ten years at the percentage reduction specified in section (B)(1)(a), and (2) service under this Rider will terminate after the initial term or the initial term will be followed by a phase-out period of three to five years as specified in section (B)(1)(b). The period of the initial term and the phaseout period, if any, will be specified in the contract.
 - (iii) Service to all other Customers under this Rider will not exceed 50 megawatts in the aggregate of which 8 megawatts will be made available to not-for-profit institutions utilizing laboratory space for biomedical research as specified in section (A)(1)(c). Allocations of this additional power will be available only after the power available under section (A)(2)(a)(iv) has been fully allocated except that allocations to not-for-profit institutions utilizing laboratory space for biomedical research will be available commencing April 1, 2001. Rate reductions provided to Customers under this subsection will be provided for a period of fifteen years, with an initial ten-year term of service at the percentage reduction specified in section (B)(2)(a) followed by a phase-out period of five years at which the percentage reduction specified in section (B)(2)(a) will be reduced one-sixth each year so that the rate reductions shall be phased out completely after the Customer's fifteenth year of Rider J service.
- (c) Initially, service to Customers served under Service Classification No. 14-RA of the Retail Access Rate Schedule will be limited under this Rider to a total of 5 megawatts, on a first come basis. The Company will continue to monitor the Business Incentive Rate program, and propose adjustments to this limit, if necessary, to facilitate participation by all eligible Customers.
- (d) As allocations to Customers in a particular program (i.e., New York City Comprehensive Package, Westchester Comprehensive Package, New and Vacant) under this Rider expire, such allocations will be available for re-use in that program at the then-current Rider J rate.

(General Information - Continued on Leaf No. 136-A-1)

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GENERAL INFORMATION - Continued

VI. Service Classification Riders (Available on Request) - Continued

RIDER J - BUSINESS INCENTIVE RATE – Continued

(A) Applicability – Continued

(2) Scope of Program – Continued

(d) - Continued

An additional 12 megawatts will be made available under the New and Vacant Program for use by not-for-profit institutions utilizing laboratory space for biomedical research as specified in section (A)(1)(c). The 12 megawatts will be phased-in as follows: 5 MW will be made available as of April 1, 2005; 2 MW will be made available as of April 1, 2006; and 5 MW will be made available as of April 1, 2007. Rate reductions provided to Customers under this subsection will be provided for a period of fifteen years, with an initial ten-year term of service at the percentage reduction specified in section (B)(2)(a) followed by a phase-out period of five years at which the percentage reduction specified in section (B)(2)(a) will be reduced one-sixth each year so that the rate reductions shall be phased out completely after the Customer's fifteenth year of Rider J service.

- (e) Customers who are located within 250 feet of a steam main in the Borough of Manhattan and receive allocations of power on or after April 1, 2008, under either the New and Vacant Program or the New York City Comprehensive Package Program, will receive a reduction in their delivery service kW and kWhr eligible for bill reductions under this Rider for the months of June through September if they have electric and/or hybrid electric chillers ("Electric Chiller Reduction"). The Company will determine the kW and kWhr portions of the Electric Chiller Reduction based on information supplied by the Customer, including the nameplate rating of the chilling equipment and equipment efficiency information ("cut sheets").

For each month during the months of June through September, the Customer's kW and kWhr Electric Chiller Reduction will be deducted from the allocation of power made under this Rider to determine the Customer's load eligible for the bill reductions specified in section (B)(2); provided, however, that the reduction can never result in a negative allocation.

(General Information - Continued on Leaf No. 137)

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GENERAL INFORMATION - Continued

VI. Service Classification Riders (Available on Request) - Continued

RIDER J - BUSINESS INCENTIVE RATE – Continued

(A) Applicability – Continued

(3) Definitions

- (a) "Substantial Real Property Tax Incentive" is defined as a tax incentive of at least five-years' duration established under either Section 485-b of the New York State Real Property Tax Law (in localities outside New York City) or Title 2-C or 2-D of the New York State Real Property Tax Law (in New York City) or under a similar provision of law providing such real property tax relief incentives for the express purpose of job development. The Customer shall provide the Company with suitable documentation of the receipt of the real property tax incentives.
- (b) "Comprehensive Package of Economic Incentives" is defined as: (i) a separately-negotiated comprehensive package of economic incentives of at least five-years' duration conferred by the local municipality or state authorities, which would include substantial tax or similar incentives designed to maintain or increase employment levels in the service area and may include certification of eligibility for the New York City Energy Cost Savings program; or (ii) a grant under the Small Firm Attraction and Retention Grant Program or the World Trade Center Business Recovery Grant Program conferred by a local municipality or a state agency to promote business recovery and economic development in lower Manhattan following September 11, 2001 upon a Customer with a demand between 10 kW and 400 kW who pledges to remain at its place of business for at least three years; or (iii) low-cost financing conferred by the local municipality or state authorities to not-for-profit institutions utilizing laboratory space for biomedical research as specified in section (A)(1)(c) of this Rider. The Customer shall provide the Company with suitable documentation of the receipt of the comprehensive package.
- (c) "Energy Cost Savings Program" is defined as an energy cost rebate program administered by the City of New York pursuant to Title 22, Chapter 6, of the New York City Administrative Code.
- (d) "New Premises" is defined as a building that is a new construction where the building is receiving a substantial real property tax incentive, energy rebates under the Energy Cost Savings Program, or a comprehensive package of economic incentives. Additions or extensions shall not qualify buildings as new premises.
- (e) "Vacant Premises" is defined as a previously occupied building where at least 75 percent of the rentable commercial square foot area has been unoccupied for twelve consecutive months out of the 24 months preceding the first application for service in such building under this Rider and the building is receiving a substantial real property tax incentive, energy rebates under the Energy Cost Savings Program, or a comprehensive package of economic incentives.
- (f) "Attraction and Retention Customers" is defined as Customers who are receiving a comprehensive package of economic incentives in exchange for a long-term commitment to locate, remain or relocate in the Company's service area.

(General Information - Continued on Leaf No. 137)

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GENERAL INFORMATION - Continued

VI. Service Classification Riders (Available on Request) - Continued

RIDER J - BUSINESS INCENTIVE RATE - Continued

(A) Applicability - Continued

(3) Definitions - Continued

(g) "Biomedical Research" is defined as research and development on use of cellular and molecular processes with a goal of creating products and solving health-related problems. Biomedical research includes research within the following disciplines: bioscience (adapting traditional research to commercial goals); biomedical engineering (integrating physical, chemical, mathematical, computational science, and engineering principles to study biology, medicine, behavior and health); genomics (treatments based upon genetic manipulation); translational medicine (application of research findings to commercially viable product development and to treatments that are directly applicable to human diseases); and biopharmacology (direct application of research to development of drug treatments).

(h) "New and Vacant Program" allocations refer to megawatts allocated under section (A)(2)(iv), section (A)(2)(b)(iii), and section (A)(2)(e) of this Rider.

(4) Applications for Service: An application for service under this Rider must be made in writing to the Company. Applications under (A)(1)(a) made on and after January 1, 1998 must be made within 30 days of application for economic development benefits from state or local authorities as defined in paragraphs (a) and (c) of subdivision (A) (3) of this Rider. Applications made on and after April 1, 2008, for premises located within 250 feet of a steam main in the Borough of Manhattan must include information about the Customer's electric and/or hybrid electric chilling equipment, including its nameplate rating and energy efficiency information. For Customers requesting service by virtue of the receipt of a Comprehensive Package of Economic Incentives, the application shall include a letter from the governmental economic development agency negotiating the package recommending acceptance for Rider J service. Approval of an application will be contingent upon the Customer's receipt of economic development benefits and ability to meet other criteria established under this rider. Applications to commence service under this Rider after March 31, 2010, will not be accepted. Subject to the consent of the Public Service Commission, applications for service prior to such date will not be accepted if the Company determines that the rate reductions provided hereunder are no longer cost justified.

(5) Restrictions as to the Availability of the Rider: Service under this Rider shall not be available as follows:

- (a) to Customers receiving service under Special Provision D of Service Classification Nos. 4 and 9 or Rider Y;
- (b) where service is furnished solely or predominantly for telephone booths, warning lights, bus stop shelters, signboards, cable television and telecommunication local distribution facilities, or similar structures or locations;
- (c) to a building or premises where 25 percent or more of the square footage of the premises is used on a permanent basis for residential purposes, unless the residential space is separately metered;
- (d) for public light and power in multi-tenanted residential buildings, or for construction purposes, or for activities of a temporary nature as described in General Rule III-1 (F) - "Temporary Service";

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GENERAL INFORMATION - Continued

VI. Service Classification Riders (Available on Request) - Continued

RIDER J - BUSINESS INCENTIVE RATE - Continued

(A) Applicability - Continued

- (5) Restrictions as to the Availability of the Rider - Continued
- (e) to residential-type premises where the account is in the name of a non-residential entity, such as apartments for renting purposes;
 - (f) to any Customer eligible for service under Service Classification No. 1 or 7 of this Rate Schedule, such as a corporation or association organized and conducted in good faith for religious purposes; or
 - (g) to retail establishments, restaurants, and hotels applying for service under section (A)(2)(b) of this Rider and to energy intensive facilities that generate relatively few new jobs, such as web-hosting centers, data centers and data switching facilities taking service on or after April 1, 2001. This subsection shall not restrict the availability of this Rider to energy intensive facilities where such facilities are part of a larger facility used in the ordinary course of business, such as corporate computer centers. Governmental economic development agencies shall have the discretion to allocate power available under this Rider to energy intensive facilities based upon factors other than the amount of anticipated electric demand, provided that a compelling reason to do so can be shown.
- (6) Distribution Facilities Cost Test: An application for service under this Rider shall not be accepted if the Company is required to incur substantial costs for additional distribution facilities to serve the premises in which the Customer is located. The Company shall determine whether the cost of such distribution facilities is substantial in the following manner:

The investment in additional distribution facilities necessary and attributable to providing service to an eligible Customer in the premises shall be compared to an amount that is four times the estimated annual Pure Base Revenue that would be obtained from the Customer under the rates of the appropriate Service Classification. If the investment in distribution facilities exceeds such amount, the applicant will not qualify for service under this Rider. The applicant may qualify for service by making a non-refundable payment or other contribution satisfactory to the Company towards the investment in distribution facilities that would result in the applicant meeting the foregoing economic test. Such payment or other contribution must be made in advance of taking service.

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GENERAL INFORMATION - Continued

VI. Service Classification Riders (Available on Request) - Continued
RIDER J - BUSINESS INCENTIVE RATE – Continued

(B) Rate:

For purposes of this subdivision, percentage reductions will be applied to monthly Demand Delivery Charges and monthly Energy Delivery Charges, before application of the Increase in Rates and Charges (described in General Information Section VIII-(A)). No reductions will be applied to other delivery charges, such as the Billing and Payment Processing Charge, Charges for Metering Services, the Monthly Adjustment Clause (“MAC”), Adjustment Factor – MAC, and the System Benefits Charge and Renewable Portfolio Standard Charge.

(1) Provided such reductions continue to be cost justified, Customers commencing service under this Rider on or after April 9, 1995 and receiving an allocation under subdivision (A)(2)(a) will receive the level of bill reductions specified in subdivision (B)(1)(a) for the initial ten years term of service under this Rider or for the period of the initial term designated by a governmental economic development agency making a designation pursuant to section (A)(2)(c). After ten years of service under this Rider or during the phase-out period designated by a governmental economic development agency making a designation pursuant to section (A)(2)(c), smaller rate reductions, as specified in subdivision (B)(1)(b) shall apply.

(a) Percentage reductions under Service Classification (“SC”) Nos. 4 and 9:

For bills with “from” dates before March 31, 2008:

For Customers billed under Rates I and III of SC Nos. 4 and 952.75 percent
For Customers billed under Rate II of SC Nos. 4 and 9 42.44 percent

For bills with “from” dates on and after March 31, 2008:

For Customers billed under Rates I and III of SC Nos. 4 and 954.08 percent
For Customers billed under Rate II of SC Nos. 4 and 9 42.77 percent

(b) The above stated percentage reductions will be reduced in equal decrements each year following the Customer’s initial period of full discounts under this Rider so that the rate reductions shall be phased out completely at the end of the Customer’s final year of Rider J service. The annual decrements will vary based upon the length of the Customer’s phase-out period.

(2) Provided such reductions continue to be cost justified, Customers commencing service under this Rider on or after April 1, 2001 and receiving an allocation under subdivision (A)(2)(b) or (A)(2)(d) will receive the level of bill reductions specified in subdivision (B)(2)(a) for the initial term of service under this Rider; provided, however, that if application for service under this Rider is approved on or after April 1, 2008, the allocation to which rate reductions will apply for the months of June through September will be reduced, as applicable, by the Electric Chiller Reduction specified in subdivision (A)(2)(e). After the initial term of service under this Rider, smaller rate reductions, as specified in subdivision (B)(2)(b) shall apply to all Customers except where a governmental economic development agency has elected under section (A)(2)(b) to terminate service under this Rider after the initial term of service.

(a) Percentage reductions under Service Classification (“SC”) Nos. 4 and 9:

For bills with “from” dates before March 31, 2008:

For Customers billed under Rates I and III of SC Nos. 4 and 939.56 percent
For Customers billed under Rate II of SC Nos. 4 and 9.....31.83 percent

For bills with “from” dates on and after March 31, 2008:

For Customers billed under Rates I and III of SC Nos. 4 and 940.56 percent
For Customers billed under Rate II of SC Nos. 4 and 9.....32.08 percent

(General Information - Continued on Leaf No. 138-B)

GENERAL INFORMATION - Continued

VI. Service Classification Riders (Available on Request) - Continued

RIDER J - BUSINESS INCENTIVE RATE - Continued

(B) Rate – Continued

(2) Continued

- (b) The above stated percentage reductions will be reduced in equal decrements each year following the Customer's initial period of full discounts under this Rider so that the rate reductions shall be phased out completely at the end of the Customer's final year of Rider J service. The annual decrements will vary based upon the length of the Customer's phase-out period.
 - (c) The stated rate reductions will apply to entire load of the Customer designated for service under this Rider unless the government agency designates a lesser load. However, at any time, individual Customer usage to which Rider J rates are to be applied will be subject to reduction by designated amounts, as determined by the governmental agency designating the Customer for service under this Rider, if the agency determines that the Customer is not fulfilling its economic-development commitments.
 - (d) For Customers served under Rider R, the rate reductions applicable to energy delivery charges will only apply to the net kilowatthours delivered by the Company.
- (3) **Provision Applicable to Large Manufacturing Customers:** Manufacturing Customers applying for high-tension service and establishing operations after April 1, 1996, with monthly maximum demands of at least 15 megawatts and otherwise eligible for service under this Rider, will be subject to the terms of this Rider except that service under this Rider will be available for a term of 15 years (with a 5 year pro rata phase-out thereafter). Customers receiving service under this provision will commit to a minimum term of 5 years of service, and their demands will not be subject to the aggregate load limits of this Rider.
- (C) **Term:** An applicant will become eligible for service under Rider J commencing on the first day of the next billing cycle following Company's approval of a completed application for service under this Rider. Upon an applicant's written request, commencement of billing under this Rider may be delayed for up to 120 days from the date of approval of the Customer's application.

(General Information - Continued on Leaf No. 139)

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