PSC No: 120 - Electricity New York State Electric & Gas Corporation Initial Effective Date: January 1, 2007 Leaf No. 272 Revision: 13 Superseding Revision: 12

SERVICE CLASSIFICATION NO. 9 (Continued)

MERCHANT FUNCTION CHARGE:

The Merchant Function Charge reflects the administrative costs of obtaining electricity supply, as further explained in General Information Section 25.D. Customers whose electricity is supplied by an ESCO are not charged for this service.

SURCHARGE TO COLLECT SYSTEM BENEFITS CHARGE ("SBC"):

A surcharge of \$.0015 per kWh will be added to each customer bill for service under this Service Classification to collect the System Benefits Charge (as explained in this Schedule, General Information Section 4). This charge will be effective with usage beginning July 1, 2006.

RENEWABLE PORTFOLIO STANDARD CHARGE ("RPS"):

A surcharge of \$.0004 per kWh will be added to each customer bill for service under this Service Classification to collect the Renewable Portfolio Standard (as explained in this Schedule, General Information Section 5). This charge will be effective with usage beginning October 1, 2006.

INCREASE IN RATES AND CHARGES:

The rates and charges under this Service Classification, including minimum charges, will be increased by a surcharge pursuant to Section 6 of P.S.C. No. 120 to reflect the tax rates applicable within the municipality where the customer takes service.

TERMS OF PAYMENT:

All bills are rendered at the above "unit prices" and that amount is due on bills paid on or before the "past due" date indicated on the bill. A late payment charge at the rate of one and one-half percent (1 1/2%) per month will be billed on all amounts not paid by that date. (Further details in Section 4 of P.S.C. No. 119 - Electricity or superseding issues thereof.)

TERM:

One month and thereafter until terminated by 48 hours' written notice.

SPECIAL PROVISIONS:

(a) Space Heating Service:

(Service under this provision will no longer be available to new customers after November 1, 1977.)

Any customer using general service under this Service Classification and also using electricity as the sole source of space heating in a premises or segregated portion of a premises may, upon written application to the Corporation, have the energy used for such space heating, as well as air conditioning and water heating for such electrically heated space, separately metered. The separately metered space heating service will be charged under the same rate choice the customer selected for their non-heating service under this Service Classification.

Issued in compliance with order in Case No. 05-E-1222 dated 08/23/06.

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