PSC NO: 1 ELECTRICITY COMPANY: BATH ELECTRIC, GAS & WATER SYSTEMS INITIAL EFFECTIVE DATE: 10/01/07

LEAF: 22 REVISION: 0 SUPERSEDING REVISION:

ELECTRIC HEAT ENERGY CONSERVATION PROVISION

In order to encourage residential and small commercial customers to use electric power wisely and thereby conserve energy, the tail block rates (over 2,200 kWh) of usage during the winter billing period (November to April) have been set to equal the estimated marginal cost of supplying power, as to be determined from time to time. The revenues collected under this provision will not be retained by the Village, but rather passed back to all customers under the PPAC.

Issued by: Matthew C. Benesh, Director of Municipal Utilities, 7-11 South Ave, Bath, NY 14810