

PSC NO: 121 ELECTRICITY
NEW YORK STATE ELECTRIC & GAS CORPORATION
Initial Effective Date: 10/01/08

Leaf: 24
Revision: 11
Superseding Revision: 10

SERVICE CLASSIFICATION NO. 1 (Cont'd.)

MINIMUM CHARGE:

The monthly minimum charge for service is the Monthly Operation and Maintenance Charge and applicable Other Facility Charges.

SYSTEM BENEFITS CHARGE:

A surcharge 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 16). See SBC Statement.

RENEWABLE PORTFOLIO STANDARD CHARGE ("RPS"):

A surcharge of \$.0005 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 17). This charge will be effective with usage beginning October 1, 2007.

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 3 of PSC No. 121 to reflect the tax rates applicable within the municipality where the customer takes service.

ALLOWANCE FOR LAMP OUTAGES:

The Company will use reasonable diligence to provide a continuous, regular and uninterrupted supply of service and the customer will use reasonable diligence to protect the lighting system. If for any reason the lamp becomes inoperable, the Company will make every effort to complete the necessary repair within three business days after notice of such outage has been received by the Company from a customer. In lieu of determination of the actual lamp-hour outages resulting from a failure of any light to burn for any reason, a monthly credit is automatically included in the energy charges of the monthly bill, in that the charge per kilowatt-hour quoted in the tariff has been reduced by 0.15%.

TERMS OF PAYMENT:

All bills are rendered at the above Charges 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 14 of the General Information Section of this Schedule.)

DETERMINATION OF CAPITAL COST:

In the case of newly constructed facilities, capital cost shall include all labor, transportation, material and applicable overheads as defined in the charges for Special Services contained in Schedule PSC 119 - Electricity, or superseding issues thereof, and utilized in recording the cost of such facilities on the books and records of the Company. In the case of existing plant, capital contributions will be determined using the replacement cost of the plant's specific vintage less depreciation. In no case will the contribution be less than the average depreciated original cost of all such facilities in that account. The Company will compute annually a schedule of such rates to be provided upon request.

Issued in compliance with Order in Case 07-M-0548 dated 06/23/08.

Issued by: James A. Lahtinen, Vice President - Rates & Regulatory Economics, Binghamton, NY