PSC No: 120 - Electricity New York State Electric & Gas Corporation Initial Effective Date: July 1, 2006 Leaf No. 261 Revision: 8 Superseding Revision: 5

SERVICE CLASSIFICATION NO. 8 (Continued)

MINIMUM CHARGE:

The minimum charge for service under this Service Classification is the monthly Customer Charge as listed above.

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 \$.0002 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, 2005 and will be amended each October 1st.

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, or for customers initiating service on or after June 1, 1988, one year and thereafter, until terminated by 48 hours' written notice. Service under this Service Classification, once terminated by the customer, will be unavailable to said customer at the same premises for one year from the date of such cancellation.

Issued in compliance with Order in Case 05-M-0090 dated 12/21/05.

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