PSC No: 120 - Electricity New York State Electric & Gas Corporation Initial Effective Date: March 1, 2006 Leaf No. 289 Revision: 14 Superseding Revision: 11

SERVICE CLASSIFICATION NO. 11 (Continued)

RATES (Per Month) (Cont'd.)

Delivery Rates for customers with less than 50 kW Contract Demand, without interval metering, will be billed at the OASC.

Billing of Reactive Kilovolt Hours:

Unless it is determined by the Company that system operations require that the customer take reactive power from the Company's system, all metered reactive energy used by the customer will be billed at the rate specified above. This includes reactive power used during normal operation of the customer's OSG or Wholesale Generator as well as that used when NYSEG provides standby service.

Rate Periods:

For a customer whose OASC is SC 2, 3, or 7, On-Peak hours are defined as the hours between 7:00 A.M. and 10:00 P.M. (Local Time), Monday through Friday with the exception of the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Those hours not designated as On-Peak are defined as Off-Peak. Other rate periods are as defined in the customer's OASC, i.e., SC 8, 9 or 12.

MERCHANT FUNCTION CHARGE:

The Merchant Function Charge reflects the administrative costs of obtaining electricity supply. Customers whose electricity is supplied by an ESCO (EPO) are not charged for this service. The Merchant Function Charge will be reset annually, to be effective February 1, using the methodology approved by the Commission in Case 05-E-1222.

SURCHARGE TO COLLECT SYSTEM BENEFITS CHARGE ("SBC")

A surcharge of \$.0014 per kilowatt-hour, per month, is charged on a customer's bill in this Service Classification to collect the SBC (as explained in this Schedule, General Information Section 4).

RENEWABLE PORTFOLIO STANDARD CHARGE ("RPS")

A surcharge of 0.002 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.

METER OWNERSHIP, METER SERVICE AND METER DATA SERVICE CHARGES:

The Meter Ownership, Meter Service and Meter Data Service Charges may be reset annually using the methodology approved by the Commission in Case 05-E-1222.

MINIMUM CHARGE

The minimum charge per month for service under this Service Classification is the Contract Demand Charge if applicable, plus the Customer Charge as listed above. For demand-billed customers with less than 50 kW Contract Demand, the minimum charge is the Customer Charge, plus the current Standby Transition Charge for the customer's OASC.

INCREASE IN RATES and CHARGES

The rates and charges under this Service Classification, including the minimum charge, will be increased by a surcharge pursuant to General Information Section 6 of this Schedule to reflect the taxes applicable within the municipality where the customer takes service.

TERMS OF PAYMENT

Bills rendered under this Service Classification are payable on receipt. A late payment charge of one and one half percent (1 1/2%) per month will be billed on all amounts not paid by the "past due" date. For additional information, see NYSEG's tariff, PSC No. 119 – Electricity, Section 4.

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