Received: 02/18/2004 Status: CANCELLED

Effective Date: 02/19/2004

Leaf No. 52 PSC No: 120 - Electricity New York State Electric & Gas Corporation Revision: 1 Superseding Revision: 0 Initial Effective Date: February 19, 2004

GENERAL INFORMATION

16. Customer Advantage Program - General Retail Access: (Cont'd.)

B. Definitions:

As used herein, the following terms shall have the meanings set forth below. Additionally, other terms used within this Schedule are defined in the Uniform Business Practices ("UBPs") (UPB Addendum).

Ancillary Services: Those services necessary to support the transmission of energy from generation resources to loads while maintaining reliability of the electric system. Ancillary Services are described and provided for in the NYISO (defined below).

Auction: NYSEG's auction of coal-fired generation assets as set forth in the Agreement approved in the Settlement Order.

Balancing and Settlement: Load Balancing and Settlement is the process of reconciling (1) scheduled deliveries of Electric Power Supply by an ESCO/DC to serve their own needs or those of Eligible Customers, to (2) total actual customer load of the ESCO or a DC's load, on an hourly basis.

The NYISO provides energy imbalance service (also known as Balancing and Settlement) in accordance with the NYISO Market Services Tariff.

Business Days: As defined in NYSEG's Tariff, P.S.C. No. 119 - Electricity, as the same may be revised, modified, amended, supplemented, clarified or superseded.

Combination Account: A common account for both gas and electric service for the purpose of combined gas and electric billing by the Company. A Combination Account is served under PSC No. 87 - Gas or PSC No. 88 - Gas, and under this Schedule.

Commission or PSC: Public Service Commission of the State of New York, or any successor agency thereto.

Issued in compliance with orders in Case 98-M-1343 dated 11/21/2003 and Cases 99-M-0631 and 03-M-0117 dated 12/19/2003.

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