PSC No: 120 - Electricity New York State Electric & Gas Corporation Initial Effective Date: October 30, 2005 Leaf No. 125 Revision: 3 Superseding Revision: 1

SERVICE CLASSIFICATION NO. 1 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(c) Commercial Use:

When a customer operates a commercial establishment (incidental to his residence) in the same building or on the same premises as his residence and takes his entire service through one meter, this classification will apply for the entire service only if the connected load in the residential portion exceeds that in the commercial portion, provided that the connected load in the commercial portion does not exceed 1.5 kW. If the reverse is true, the general classification will apply to the entire service. However, the customer may elect to take service under both the residential and general rates, in which case there will be a separate meter for the residential portion.

(d) Balanced Billing:

Customers may, by signing an application, be billed monthly in accordance with the plan set forth in Section 4-0 of P.S.C. No. 119 - Electricity or superseding issues thereof.

(e) Quarterly Payment Plan:

Effective November 29, 1985, as required by Public Service Law Section 38, the Company will offer any residential customer, 62 years of age or older, a plan for payment on a quarterly basis of charges for service rendered, provided that such customer's average annual billing is not more than \$150.

(f) Plattsburgh Air Force Base

Eligibility:

This provision is applicable to Plattsburgh Airbase Redevelopment Corporation ("PARC") and PARC customers served by the electrical delivery system of the former Plattsburgh Air Force Base as of September 30, 2003.

Phase-In of Rates:

1. Eligible customers' bills subject to this Special Provision will be calculated pursuant to the methodology historically used by PARC (the "PARC Method") and pursuant to the NYSEG Fixed Price Option (FPO) rate effective January 1, 2003, as specified in the otherwise applicable Service Classification of this Schedule.

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