PSC NO: 121 ELECTRICITY NEW YORK STATE ELECTRIC & GAS CORPORATION Initial Effective Date: January 17, 2018 Issued in compliance with Order in Case No. 09-M-0311, dated 12/19/17. Leaf: 37 Revision: 27 Superseding Revision: 26

SERVICE CLASSIFICATION NO. 2 (Cont'd.)

MERCHANT FUNCTION CHARGE:

The Merchant Function Charge reflects the administrative costs of obtaining electricity supply. Customers whose electricity is supplied by an ESCO are not charged for this service.

MINIMUM CHARGE:

The monthly minimum charge for service is the Monthly Maintenance Charge, plus the Bill Issuance Charge, if applicable.

SYSTEM BENEFITS CHARGE:

A surcharge shall 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.

SURCHARGE TO COLLECT RELIABILITY SUPPORT SERVICES ("RSS"):

A surcharge shall be added to each customer bill for service under this Service Classification to collect the Reliability Support Services (as explained in this Schedule, General Information Section 20). See RSS Statement.

RATE ADJUSTMENT MECHANISM ("RAM"):

The RAM shall be applied per kWh to all kWhs delivered under this Service Classification (as explained in this schedule, General Information Rule 21). See RAM Statement.

REVENUE DECOUPLING MECHANISM ("RDM"):

A customer taking service under this Service Classification shall be subject to a Revenue Decoupling Adjustment (as explained in this Schedule, General Information Section 17). See RDM Statement.

INCREASE IN RATES AND CHARGES:

The rates and charges under this Service Classification, including minimum charges, shall be increased by a surcharge pursuant to Section 3 of P.S.C. No. 121 - Electricity to reflect the tax rates applicable within the municipality where the customer takes service.

ALLOWANCE FOR LAMP OUTAGES:

The Company shall use reasonable diligence to provide a continuous, regular and uninterrupted supply of service and the customer shall use reasonable diligence to protect the lighting system. If for any reason the lamp becomes inoperable, the Company shall 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 kWh quoted in the tariff has been reduced by 0.15%.

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 1½% per month shall be billed on all amounts not paid by that date. (Further details in Section 14 of the General Information section of this Schedule).

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York