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PSC No: 120 - Electricity

New York State Electric & Gas Corporation

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Issued in compliance with Order in Case 07-M-0548 and 15-M-0252 dated 6/19/15

SERVICE CLASSIFICATION NO. 11 (Continued)

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.

SURCHARGE TO COLLECT SYSTEM BENEFITS CHARGE ("SBC"):

A surcharge 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). See SBC Statement.

RENEWABLE PORTFOLIO STANDARD CHARGE ("RPS"):

A surcharge 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). See RPS Statement.

SURCHARGE TO COLLECT TEMPORARY STATE ASSESSMENT ("TSAS"):

A surcharge will be added to each customer bill for service under this Service Classification to collect the Temporary State Assessment (as explained in this Schedule, General Information Section 28). See TSAS Statement.

REVENUE DECOUPLING MECHANISM ("RDM"):

A customer billed at OASC as provided in this Service Classification shall be subject to a Revenue Decoupling Adjustment (as explained in this Schedule, General Information Section 7). See RDM Statement. The RDM Adjustment for the customer's OASC will apply.

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

A surcharge will 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 3). See RSS Statement.

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 minimum charge per month for service under this Service Classification is the Contract Demand Charge if applicable, plus the Customer Charge and the Bill Issuance Charge, if applicable, as listed above. For demand-billed customers with less than 50 kW Contract Demand, the minimum charge is the Customer Charge, plus the Bill Issuance Charge, if applicable..

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.

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