Received: 07/30/2012 Status: CANCELLED Effective Date: 12/01/2012

PSC NO: 90 Gas

NEW YORK STATE ELECTRIC & GAS CORPORATION

Initial Effective Date: 12/01/12

Leaf: 68

Revision: 2

Superseding Revision: 1

GENERAL INFORMATION

8. BILLING AND COLLECTIONS: (CONT'D)

Q. Budget Billing: (Cont'd)

(1) Residential: (Cont'd)

During the plan year the customer's actual use will be billed regularly as provided under the applicable service classification. If at the end of the 12 months the amount of budget billing is less than that corresponding to the amount resulting from the regular billing under the applicable service classification of the customer's actual usage, then the customer shall pay the deficiency as well as the stipulated monthly budget payment for the twelfth month billing cycle. If the amount of the budget billing is greater than such regular billing, the Company will apply the excess as credit against future bills or will refund the excess paid.

The Company will review the customer's budget payment balance throughout the annual period and, based upon known changes in rates, charges and/or usage, re-estimate the remaining bills in the annual period to minimize any adjustment in the final budget settlement bill.

The Company will also review the customer's plan balance if basic price, adjustment, or usage changes occur at other times during the plan year. Any of these reviews can result in mandatory revisions to the stipulated monthly payment.

A new applicant or existing customer may initially apply for budget billing at any time, in which event the Company will estimate the customer's bills for the remaining months in the plan and bill the estimated amount in equal payments through the plan settlement bill. Any difference between the amount billed and the amount that would have been billed for actual usage will be charged or credited to the budget settlement bill.

When a customer is also rendered electric service by the Company, the budget payment plan will apply to the total of both gas and electricity billings.

The actual bill for customers will be computed in accordance with the applicable service classification. The late payment charge for residential customers will be calculated at the rate of one and one-half percent $(1\ 1/2\%)$ per month on all amounts not paid by the past due date indicated on the bill.

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