PSC No: 120 - ElectricityLeaf No. 220New York State Electric & Gas CorporationRevision: 8Initial Effective Date: September 26, 2010Superseding Revision: 6Issued in compliance with order in Case 09-E-0715 dated September xx, 2010

SERVICE CLASSIFICATION NO. 7 (Continued)

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 for service under this Service Classification is the monthly Customer Charge as listed above plus the Bill Issuance Charge, if applicable, or unless otherwise stated in the applicable special provisions.

The minimum charge for customers who choose to take all or part of their back-up or maintenance service under this service classification rather than under Special Provision (d) of NYSEG's Service Classification No. 11 is described in the "DETERMINATION OF DEMAND" section.

REVENUE DECOUPLING MECHANISM ("RDM"):

A customer taking service under this Service Classification shall be subject to a Revenue Decoupling Mechanism adjustment as explained in this Schedule, General Information Section 7. Customers taking Transmission service (SC 7-4) are excluded from the RDM. See RDM Statement