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SERVICE CLASSIFICATION NO. 3 (Cont'd)

LARGE POWER PRIMARY SERVICE (Cont'd)

MERCHANT FUNCTION CHARGE

The Merchant Function Charge, as described in General Information Section 36.E, shall apply to all electricity delivered under this Service Classification.

NEW YORK STATE ASSESSMENT

The New York State Assessment, as described in General Information Section 36.F, shall apply to all electricity delivered under this Service Classification.

INCREASE IN RATES AND CHARGES

The rates and charges under this Service Classification, including the minimum charge, Electric Bill Credit, System Benefits Charge, Renewable Portfolio Standard Charge, Purchased Power Adjustment, Miscellaneous Charges, energy supply charges under Special Provision 3.8, if applicable, Merchant Function Charge, and New York State Assessment are increased pursuant to General Information Section 30 to reflect the tax rates applicable within the municipality where the customer takes service.

MINIMUM CHARGE

The Customer Charge plus the Basic Demand Charge.

DETERMINATION OF DEMAND

The Basic Active Demand will be the highest 15-minute integrated kilowatt demand established during the month for which the bill is rendered, but not less than 500 kilowatts.

For customers whose demands in any two of the previous twelve months are 1,000 kW or larger, the Reactive Demand will be the highest 15-minute integrated kilovoltamperes of lagging reactive demand established during the month less one-third of the highest 15-minute integrated kilowatt demand established during that month.

For customers operating induction generators, reactive demand will be the highest 15-minute integrated kilovoltamperes of lagging reactive demand established during the month less one-third of the highest 15-minute integrated kilowatt generated during that month. In instances where there is no generation or a customer does not fully offset their load in a given month, reactive demand will be calculated in the manner consistent with all other customers. This provisions is applicable to customers operating induction generators with a total nameplate rating (a) greater than or equal to 1,000 kW beginning October 1, 2010 and (b) greater than or equal to 500 kW beginning October 1, 2011.

Issued by: Michael L. Mosher, Vice President, Poughkeepsie, New York