

PSC No: 120 - Electricity  
New York State Electric & Gas Corporation  
Initial Effective Date: January 1, 2006

Leaf No. 221  
Revision: 4  
Superseding Revision: 1

SERVICE CLASSIFICATION NO. 7 (Continued)

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

A surcharge of \$.0014 per kWh 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). This charge will be effective with usage beginning January 1, 2005.

COMPETITIVE METERING OPTION:

Qualified Customers who select the Competitive Metering Option must comply with the requirements specified in PSC 119 - Electricity and specified in General Information Section 14 of this Schedule, and will receive a Competitive Metering Credit as set forth in Section 2 of Addendum-MET of PSC 119, or superseding issues thereof.

METER OWNED BY CUSTOMER, INSTALLED AND MAINTAINED BY THE CORPORATION

Customers electing to own their own meters, as described in Section 3.A.2 of PSC 119 - Electricity, will receive a Meter Ownership Credit as described in Section 3.A.2.a.i of that Schedule. This provision is separate and distinct from Competitive Metering.

Customers participating in Competitive Metering will not receive a Meter Ownership Credit in addition to the existing Competitive Metering Credit provided to such customers.

INCREASES IN RATES AND CHARGES:

The rates and charges under this Service Classification, including the minimum charge, will be increased by a surcharge pursuant to Section 6 of P.S.C. No. 120 to reflect the tax rates applicable within the municipality where the customer takes service.

DETERMINATION OF DEMAND:

The Determination of Demand will be derived from the on-peak hours only. The metered demand will be the highest average kilowatts used in a fifteen-minute interval during the month.

(For customers whose meters are read bi-monthly, the billing demand will be 95% of the metered demand.)

For subtransmission and transmission customers also served by the Corporation under Special Provision F of Service Classification No. 10, the measured demand of the output provided by the customer's generating facility will be added to the measured demand as determined by the Corporation's meter for service under this Classification.

Customers who choose to take all or part of their back-up or maintenance service under this service classification rather than under NYSEG's Service Classification No. 11 will pay a minimum demand charge as described in NYSEG's Service Classification No. 11. Customers will pay a minimum demand charge related to generation, ancillary, and transmission costs. The minimum demand charge is based on a rate per kW of the contract demand and is accumulated over a 12-month period. The accumulated contract demand charge component will be compared to the accumulated demand charge in this service classification. If the contract demand charge is greater than the demand charge in this service classification, then the customer will only pay the contract demand charge in that month. If it is less than the demand charge in this service classification, then the customer will pay that difference in that month.

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