PSC No: 120 - Electricity New York State Electric & Gas Corporation Initial Effective Date: January 1, 2006 Leaf No. 123 Revision: 4 Superseding Revision: 1

SERVICE CLASSIFICATION NO. 1 (Continued)

MINIMUM CHARGE:

The minimum charge for service under this Service Classification is the monthly Customer Charge as listed above.

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.

INCREASE IN RATES AND CHARGES:

The rates and charges under this Service Classification, including minimum charges, will be increased by a surcharge pursuant to Section 6 of this Schedule to reflect the tax rates applicable within the municipality where the customer takes service.

TERMS OF PAYMENT:

All bills are rendered at the above "Unit Prices" and that amount is due on bills paid on or before the past due date indicated on the bill. A late payment charge at the rate of one and one-half percent (1 2%) per month will be billed on all amounts not paid by that date. (Further details in Section 4 of P.S.C. No. 119 - Electricity or superseding issues thereof.)

TERM:

One month and thereafter until terminated by 48 hours' written notice.

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