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COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 0

INITIAL EFFECTIVE DATE: 11/07/97 SUPERSEDING REVISION:

STAMPS:

CANCELLED by Supplement 1 effective 01/01/00

RECEIVED: 08/20/97 STATUS: Cancelled EFFECTIVE: 11/07/97

GENERAL INFORMATION

20. METER READING, BILLING, COLLECTION, AND ESTIMATED BILLS: (CONT'D)

I. Balanced Billing: (Cont'd)

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 twelve (12) months the amount of balanced 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 balanced payment for the twelfth month billing cycle. If the amount of the balanced billing is greater than such regular billing, the Company will refund the excess paid or will apply the excess as credit against future bills.

In order to minimize the amount of over or under-payment to be adjusted on the twelfth month bill, the Company will, at the end of the third, sixth and ninth month, review the customer's plan balance and, based upon known and/or projected prices, adjustments, and usage, re-estimate the remaining bills. 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.

If the Customer should fail to make the stipulated monthly budget payment on or before the past due date indicated on the bill, this plan may be cancelled and the Customer billed in accordance with the applicable service classification. If the plan is not cancelled, bills paid after the past due date will be subject to a late payment charge. However, a customer whose bill shows a credit in the plan balance which is greater than or equal to the account balance will not be subject to such late payment charge.

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.

In the event of cancellation of the balanced billing plan or the discontinuance of service, any deficiency will then become due, or if there is an excess, the same will be refunded by the Company.