Effective Date: 07/01/2016

PSC No: 120 - Electricity Leaf No. 123 New York State Electric & Gas Corporation Revision: 28 Initial Effective Date: July 1, 2016 Superseding Revision: 27 Issued in compliance with Order in Case 15-E-0283, dated June 15, 2016 SERVICE CLASSIFICATION NO. 1 (Continued)

MERCHANT FUNCTION CHARGE:

The Merchant Function Charge reflects the administrative costs of obtaining electricity supply, as further explained in General Information Section 25.D. 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 plus the Bill Issuance Charge, if applicable, as listed above.

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

A surcharge shall 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). See SBC Statement.

SURCHARGE TO COLLECT TEMPORARY STATE ASSESSMENT ("TSAS"):

A surcharge shall be added to each customer bill for service under this Service Classification to collect the Temporary State Assessment (as explained in this Schedule, General Information Section 28). See TSAS Statement.

REVENUE DECOUPLING MECHANISM ("RDM"):

A customer taking service under this Service Classification shall be subject to a Revenue Decoupling Adjustment (as explained in this Schedule, General Information Section 7). See RDM Statement.

SURCHARGE TO COLLECT RELIABILITY SUPPORT SERVICES ("RSS"):

A surcharge shall be added to each customer bill for service under this Service Classification to collect the Reliability Support Services (as explained in this Schedule, General Information Section 3). See RSS Statement.

RATE ADJUSTMENT MECHANISM ("RAM"):

The RAM shall be applied per kWh to all kWh delivered under this Service Classification (as explained in in this schedule, General Information Rule 38). See RAM Statement.

INCREASE IN RATES AND CHARGES:

The rates and charges under this Service Classification, including minimum charges, shall 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 1½% per month shall 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' notice.

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