SERVICE CLASSIFICATION NO. 1

RESIDENTIAL SERVICE

APPLICABLE TO USE OF SERVICE FOR:

All purposes, in Entire Territory, by single family residential customers in single family dwellings, individual flats or apartments, also for all electricity utilized exclusively in connection with any post or hall owned or leased by a not-for-profit corporation that is a veterans' organization, for all electricity utilized exclusively in connection with religious purposes by any corporation or association organized and conducted in good faith for religious purposes and for all electricity utilized exclusively in a community residence for the mentally disabled as defined in Subdivisions 28, 28-a and 28-b of Section 1.03 of the Mental Hygiene Law, provided, however, that such facilities shall be operated by a not-for-profit corporation, and, if supervisory staff is on site 24 hours per day, the residence must provide living accommodations for 14 or fewer residents. This classification is available to all such customers providing but one meter for the above service is used.

CHARACTER OF SERVICE:

Continuous, Alternating Current - 60 cycle; 120/240, 120/208 volts, single phase. Three phase service shall not be rendered under this Service Classification except to qualified veterans' organizations, religious organizations or community residences for the mentally disabled receiving such service hereunder.

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS:

Customers served under this Service Classification may select from two different Supply Service Options as described below. The Company shall offer a Retail Access rate choice and a Non-Retail Access rate choice.

The Retail Access choice is the ESCO Supply Service (ESS). The Non-Retail choice is the RG&E Supply Service (RSS).

The Company shall provide only delivery service for the Retail Access choice. Electricity supply is provided by an Energy Services Company (“ESCO”).

The Company shall provide delivery service and commodity service for the Non-Retail Access choice.

ESCO Supply Service (ESS):

This Retail Access choice includes fixed components for the Company delivery service, a Transition Charge (Non-Bypassable Charge ["NBC"] as described in Section 12.B., and a Bill Issuance Charge. Customers that elect ESS and receive a Consolidated Bill shall not be subject to the Bill Issuance Charge. An Energy Service Services Company (“ESCO”) provides Electric Power Supply to the customer. The Company provides the delivery service only.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Rochester, New York
SERVICE CLASSIFICATION NO. 1

RESIDENTIAL SERVICE (Cont’d)

1. ESCO Supply Service Option (ESS) (Cont’d)

RATE: (Per Meter, Per Month)

Delivery Charges:

<table>
<thead>
<tr>
<th></th>
<th>Effective Date</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>07/01/16</td>
</tr>
<tr>
<td></td>
<td>05/01/17</td>
</tr>
<tr>
<td></td>
<td>05/01/18</td>
</tr>
<tr>
<td>Customer Charge</td>
<td>$21.38</td>
</tr>
<tr>
<td>Energy Delivery Charge</td>
<td>$0.03790</td>
</tr>
<tr>
<td>All kWh, per kWh</td>
<td>$0.03790</td>
</tr>
<tr>
<td></td>
<td>$0.04181</td>
</tr>
<tr>
<td></td>
<td>$0.04645</td>
</tr>
</tbody>
</table>

System Benefits Charge:
All kWh, per kWh Per SBC Statement

Reliability Support Services Surcharge:
All kWh, per kWh Per RSSS Statement, as described in Rule 4

Bill Issuance Charge (per bill):
$0.72, as described in Rule 11.F

Transition Charge (Non-Bypassable Charge [“NBC”]):
All kWh, per kWh Per Transition Charge Statement.

Rate Adjustment Mechanism (“RAM”):
All kWh, per kWh Per RAM Statement, as described in Rule 24
SERVICE CLASSIFICATION NO. 1

RESIDENTIAL SERVICE (Cont'd)

Reserved for Future Use
SERVICE CLASSIFICATION NO. 1

RESIDENTIAL SERVICE (Cont’d)

2. RG&E Supply Service (RSS)

This Non-Retail Access choice includes fixed components for the Company delivery service, a Transition Charge (Non-Bypassable Charge ["NBC"]) as described in Section 12.B., a Bill Issuance Charge and a commodity charge that fluctuates with the market price of electricity and consists of energy, capacity, capacity reserves, losses, unaccounted for energy, ancillary services and a NYPA Transmission Access Charge (NTAC), transmission project costs allocated to the Company under NYISO tariff as approved by FERC, and Supply Adjustment Charge. The commodity charge shall reflect a managed mix of supply resources. Electricity supply is provided by the Company.

RANGE: (Per Meter, Per Month)

<table>
<thead>
<tr>
<th>Delivery Charges:</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>07/01/16</td>
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<tr>
<td>Customer Charge</td>
<td>$21.38</td>
</tr>
<tr>
<td>Energy Delivery Charge</td>
<td>$0.03790</td>
</tr>
</tbody>
</table>

System Benefits Charge:
All kWh, per kWh Per SBC Statement

Reliability Support Services Surcharge:
All kWh, per kWh Per RSSS Statement, as described in Rule 4

Merchant Function Charge:
All kWh, per kWh Per MFC Statement, as described in Rule 12

Bill Issuance Charge (per bill):
$0.72, as described in Rule 11.F.

Transition Charge (Non-Bypassable Charge ["NBC"]):
All kWh, per kWh Per Transition Charge Statement.

Rate Adjustment Mechanism ("RAM"):
All kWh, per kWh Per RAM Statement, as described in Rule 24

Electricity Supply Charge:

The charge for Electric Power Supply provided by the Company shall fluctuate with the market price of electricity and shall include the following components: Energy, Energy Losses, Unaccounted for Energy, Capacity, Capacity Reserves, Capacity Losses, ancillary services, NTAC, transmission project costs allocated to the Company under the NYISO tariff as approved by FERC, and a Supply Adjustment Charge.

On a monthly basis, the Company shall pass through to these customers the impact of any hedge position entered into on behalf of such customers through an adjustment to the applicable variable commodity charge as described in Section 12.C.2.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Rochester, New York
SERVICE CLASSIFICATION NO. 1

RESIDENTIAL SERVICE (Cont’d)

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 for each Supply Service Option.

RATE ADJUSTMENT MECHANISM (“RAM”):
The RAM shall be applied per kWh to all kWh delivered under this Service Classification, (as explained in this Schedule, General Information Rule 24). See RAM Statement.

SURCHARGE TO COLLECT RELIABILITY SUPPORT SERVICE SURCHARGE (“RSSS”):
A surcharge shall be added to each customer bill for service under this Service Classification to collect the Reliability Support Services Surcharge (as explained in this Schedule, General Information Section 4). See RSSS Statement.

REVENUE DECOUPLING MECHANISM (“RDM”):
All customers taking service under this Service Classification shall be subject to a RDM adjustment (as explained in this Schedule, General Information Section 4.K.). See RDM Statement.

MERCHANT FUNCTION CHARGE (“MFC”):
The Merchant Function Charge reflects the administrative costs of obtaining electricity supply. All customers taking supply service under this Service Classification with the Company shall be subject to a MFC charge (as explained in this Schedule, General Information Section 4.K.). See MFC Statement.

INCREASE IN RATES AND CHARGES:
All rates and charges under this Service Classification are increased by the applicable effective percentage shown in Rule 4.J. for service supplied within the municipality where the customer is taking service.
SERVICE CLASSIFICATION NO. 1

RESIDENTIAL SERVICE (Cont’d)

Reserved for Future Use
SERVICE CLASSIFICATION NO. 1 (Cont'd)

RESIDENTIAL SERVICE

Reserved for Future Use
SERVICE CLASSIFICATION NO. 1 (Cont’d)

RESIDENTIAL SERVICE

TERMS OF PAYMENT:
All bills are rendered at the above rate. A late payment charge of one and 1½% per month shall become due and payable if payment is not made on or before the "last day to pay" date specified on the bill in accordance with the provisions of Rule 4.C.(2).

TERM:
Service may be discontinued upon three days' notice to the Company.

SPECIAL PROVISIONS:

1. **Nonresidential Use**
   In buildings primarily intended for residential purposes where not more than two rooms are used for business or for professional purposes, this classification shall apply to both uses, provided the total connected load of such nonresidential use does not exceed 2,000 watts.

2. **Multiple-family Dwellings**
   In multiple-family dwellings, with not more than four family units, where each living unit is separately metered and billed on this classification, the incidental electricity used in common by all of the family units, such as hall, cellar or stair lighting, (but excluding water heating, space heating equipment, air conditioning equipment, laundry equipment and other motor driven equipment), may be served under this classification if metered with the use of one of the residential units.
SERVICE CLASSIFICATION NO. 1 (Cont’d)

RESIDENTIAL SERVICE

Reserved for Future Use
SERVICE CLASSIFICATION NO. 1 (Cont’d)

RESIDENTIAL SERVICE

Reserved for Future Use
SPECIAL PROVISIONS (Cont’d)

3. **Wind Electric Service Option**
   This option is for a customer qualifying for the Wind Electric Service Option pursuant to General Information Section 13 of this Schedule and taking service under S.C. No. 1.

4. **Electric Hybrid Generating System Option**
   This Option is for a customer qualifying for the Electric Hybrid Generating System Option pursuant to General Information Section 17 of this Schedule and taking service under S.C. No. 1.

5. **Solar Residential Electric Service Option**
   This Option is for a customer qualifying for the Solar Residential Generating System Option pursuant to General Information Section 14 of this Schedule and taking service under S.C. No. 1.

6. **Farm Waste Electric Generating System Option**
   This Option is for a customer qualifying for the Farm Waste Electric Generating System Option pursuant to General Information Section 16 of this Schedule and taking service under S.C. No. 1.

7. **Micro-combined Heat and Power (MCHP) Service Option**
   This option is for a customer qualifying for the MCHP Service Option pursuant to General Information Section 18 of this Schedule and taking service under S.C. No. 1.

8. **Fuel Cell Electric Service Option**
   This option is for a customer qualifying for the Fuel Cell Service Option pursuant to General Information Section 19 of this Schedule and taking service under S.C. No. 1.

9. **Micro-Hydroelectric Service Option**
   This Option is for a customer qualifying for the Micro-Hydroelectric Service Option pursuant to General Information Section 20 of this Schedule and taking service under S.C. No. 1.

10. **Community Distributed Generation Service Option**
    This Option is for a customer qualifying for the Community Distributed Generation Service Option pursuant to General Information Section 23 of this Schedule and taking service under S.C. No. 1.