P.S.C. No. 120 - ELECTRICITY
SUPERSEDED P.S.C. NO. 115

NEW YORK STATE ELECTRIC & GAS CORPORATION
RULES, REGULATIONS AND GENERAL INFORMATION

SCHEDULE
FOR
ELECTRIC SERVICE

Applicable
In
All territory served by this Corporation and
In all rate schedules except as otherwise
Provided in individual rate schedules

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
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**ISSUED BY:** Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
PSC No: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: January 17, 2018
Issued in compliance with Order in Case No. 09-M-0311, dated 12/19/17.

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GENERAL INFORMATION

1. Territory to which Schedule Applies (Cont'd):

BINGHAMTON AREA

BROOME COUNTY:

City:
Binghamton

Villages:
Endicott
Johnson City
Lisle
Port Dickinson
Whitney Point
Windsor

Towns:
Barker
Binghamton
Chenango
Colesville
Conklin
Dickinson
Fenton
Kirkwood
Lisle
Maine
Nanticoke
Triange
Union
Vestal
Windsor

CORTLAND COUNTY:

Towns:
Cincinnatus
Freetown
Harford
Lapeer
Marathon (Except that portion served by the Village of
Marathon Municipal Lighting Plant)
Taylor
Virgil (Southeastern portion)
Willett

TIOGA COUNTY:

Villages:
Newark Valley
Nichols
Owego

Towns:
Barton (Eastern Portion)
Berkshire
Newark Valley
Nichols
Owego
Richford
Tioga
Candor (Portion between the north and south border
lines and within one-half mile of the west
branch of Owego Creek)

CHENANGO COUNTY:

Village:
Afton

Towns:
Afton
Coventry
German
Greene
McDonough
Otselic
Pharsalia
Pitcher
Smithville

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1. Territory to which Schedule Applies (Cont'd):

EAST CENTRAL AREA

BROOME COUNTY:

Village: Deposit

Town: Sanford

COLUMBIA COUNTY (Cont'd):

Towns (Cont'd):

Copake
Ghent
Hillsdale
New Lebanon
Taghkanic (Eastern Portion)

CHENANGO COUNTY:

City: Norwich

Villages
Bainbridge
New Berlin
Oxford
Smyrna

Towns:
Bainbridge
Columbus
Greene
Guilford
New Berlin
Norwich
North Norwich
Oxford
Plymouth
Preston
Sherburne
Smyrna

COLUMBIA COUNTY (Cont'd):

Towns (Cont'd):

Copake
Ghent
Hillsdale
New Lebanon
Taghkanic (Eastern Portion)

COLUMBIA COUNTY (Cont'd):

Villages
Andes
Delhi
Fleischmanns
Franklin
Hancock
Hobart
Margaretville
Sidney
Stamford
Walton

DELAWARE COUNTY:

Villages
Andes
Delhi
Fleischmanns
Franklin
Hancock
Hobart
Margaretville
Sidney
Stamford
Walton

Towns:
Andes (Northern Portion)
Bovina
Colchester (Northern Portion)
Davenport
Delhi
Deposit
Franklin
Hamden
Hancock (Northern Portion)

COLUMBIA COUNTY:

Towns:
Austerlitz
Canaan
Chatham (Except Northwest Corner)
Claverack (Eastern Portion)

Harpersfield
Kortright
Masonville
Meredith
Middleown
Roxbury
Sidney
Stamford
Tompkins
Walton

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GENERAL INFORMATION

1. Territory to which Schedule Applies (Cont'd):

EAST CENTRAL AREA (Cont'd)

GREENE COUNTY:
Towns:
Ashland
Halcott
Jewett (Northern Portion)
Prattsville
Windham

HERKIMER COUNTY:
Village:
West Winfield

Towns:
Columbia (Southern Portion)
Litchfield (Southern Portion)
Warren
Winfield

MADISON COUNTY:
Villages:
Earlville
Madison
Morrisville

Towns:
Brookefield
Eaton
Georgetown
Hamilton
Lebanon
Madison
Smithfield

ONEIDA COUNTY (Cont'd):
Towns (Cont'd)
Kirkland (Southern Portion)
Marshall
Sangerfield

OTSEGO COUNTY:
City:
Oneonta

Villages:
Cooperstown
Gilbertsville
Laurens
Milford
Morris
Otego
Richfield Springs
Unadilla

Towns:
Burlington
Butternuts
Edmeston
Exeter
Hartwick
Laurens
Middlefield
Milford
Morris
New Lisbon
Oneonta
Otego

ONEIDA COUNTY:
Villages:
Bridgewater
Oriskany Falls
Waterville

Towns:
Augusta
Bridgewater

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GENERAL INFORMATION

1. Territory to which Schedule Applies (Cont'd):

EAST CENTRAL AREA (Cont'd)

RENSSELAER COUNTY:
Towns:
Berlin
North Greenbush
Petersburg
Sand Lake
Stephentown
Nassau (Southeast Corner)

SCHOHARIE COUNTY:
Towns:
Cronesville
Gilboa
Jefferson

ULSTER COUNTY:
Towns:
Hardenbergh (Eastern Portion)
Shandaken

GRANVILLE DISTRICT

WASHINGTON COUNTY:
Villages:
Granville
Salem
Towns:
Granville
Greenwich
Hebron
Jackson
Salem

MECHANICVILLE DISTRICT

RENSSELAER COUNTY:
Town:
Schagticoke (Western Portion)

SARATOGA COUNTY (Cont'd)
Towns:
Clifton Park (Northeastern Portion)
Half Moon (Northern Portion)

SARATOGA COUNTY:
City:
Mechanicville

Village:
Round Lake
Stillwater

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### GENERAL INFORMATION

1. Territory to which Schedule Applies (Cont'd):

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GENERAL INFORMATION

1. Territory to which Schedule Applies (Cont'd):

ELMIRA AREA (Cont'd)

STEUBEN COUNTY (Cont'd):

Towns (Cont'd):
Wayne (Except Northeast Portion)
West Union
Wheeler
Woodhull

WYOMING COUNTY:

Villages:
Gainesville
Perry
Warsaw
Wyoming

Towns:
Castille
Gainesville
Genesee Falls
Middlebury
Perry
Warsaw

SENECA COUNTY:

Villages:
Interlaken
Lodi
Ovid
Romulus (Southern Portion)

TIOGA COUNTY:

Towns:
Barton (Northern Portion)
Candor (Except that portion between the North & South Border Line & within one-half mile of the West Branch of Owego Creek)
Spencer

CHEMUNG COUNTY:

Village:
Van Etten

SCHUYLER COUNTY:

Village:
Burdett

Town:
Hector

ITHACA AREA

CAYUGA COUNTY:

Village:
Moravia

Towns:
Locke
Moravia
Sempronius
Summerhill

SCHUYLER COUNTY:

Town:
Van Etten

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GENERAL INFORMATION

1. Territory to which Schedule Applies (Cont'd):

ITHACA AREA (Cont'd)

TOMPKINS COUNTY:
City:
Ithaca

Villages:
Cayuga Heights
Dryden
Freeville
Lansing
Trumansburg

TOMPKINS COUNTY (Cont'd)
Towns:
Caroline
Danby
Dryden
Enfield
Groton
Ithaca
Lansing
Newfield
Ulysses

NORTH CENTRAL AREA

CAYUGA COUNTY:
City:
Auburn

Villages:
Aurora
Cayuga
Port Byron
Union Springs
Weedsport

Towns:
Aurelius
Brutus
Fleming
Genoa
Ledyard
Mentz
Montezuma
Owasco
Scipio
Sennett
Springport
Throop
Venice

ONONDAGA COUNTY:
Villages:
Elbridge
Jordan
Marcellus

Towns:
Camillus
Elbridge
Marcellus
Otisco (Northwestern Portion)
Spafford
VanBuren (Southern Portion)

ONTARIO COUNTY:
City:
Geneva

Villages:
Clifton Spring
Phelps
Rushville

Towns:
Geneva
Gorham
Hopewell (Eastern Portion)
Manchester (Eastern Portion)
Phelps
Seneca

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<td>Waterloo</td>
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| STEUBEN COUNTY:                |                       |
| **Town:**                      |                       |
| Wayne (Northeastern Portion)   |                       |

| WAYNE COUNTY                    |                       |
| **Villages:**                  | **Towns:**            |
| Clyde                          | Dresden              |
| Lyons                          | Dundee               |
| Macedon                        | Penn Yan             |
| Newark                         | Rushville            |
| Palmyra                        |                       |
| Savannah                       |                       |

| NORTHEAST AREA                  |                       |

| CLINTON COUNTY:                | CLINTON COUNTY (Cont'd): |
| **Villages:**                  | **Towns:**            |
| Champlain                      | Champlain            |
| Dannemora                      | Chazy                |
| Keeseville                     | Clinton              |
| Mooers                         | Dannemora            |
|                                | Ellenburg            |
| **Towns:**                     |                       |
| Altona                         | Mooers               |
| Ausable                        | Peru                 |
| Beekmantown                    | Plattsburgh          |
| Black Brook (Northeast and Southeast Corners) | Schuyler Falls |

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GENERAL INFORMATION

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<td>Indian Lake (Northern Portion)</td>
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<tr>
<th>DELAWARE COUNTY</th>
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<td><strong>Towns:</strong></td>
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<tr>
<td>Andes (Southern Portion)</td>
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<td>Colchester (Southern Portion)</td>
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<td>Hancock (Southern Portion)</td>
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<tr>
<th>DUTCHESS COUNTY</th>
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<tr>
<td><strong>Village:</strong></td>
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<tr>
<td>Pawling</td>
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<tr>
<th>PUTNAM COUNTY</th>
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<tr>
<td><strong>Village:</strong></td>
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<tr>
<td>Brewster</td>
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<th>PUTNAM COUNTY (Cont'd)</th>
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<tr>
<td><strong>Towns:</strong></td>
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<tr>
<td>Carmel</td>
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<tr>
<td>Patterson</td>
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<td>Putnam Valley</td>
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<td>Southeast</td>
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<th>SULLIVAN COUNTY</th>
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<tr>
<td><strong>Villages:</strong></td>
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<tr>
<td>Jeffersonville</td>
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<td>Liberty</td>
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<tr>
<td>Monticello</td>
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<tr>
<td>Woodridge</td>
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| **Towns:**                |
| Bethel                    |
| Callicoon                 |
| Cochecton                 |
| Delaware                  |

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
GENERAL INFORMATION

1. Territory to which Schedule Applies (Cont'd):

**SOUTHEAST AREA (Cont'd)**

**SULLIVAN COUNTY (Cont'd):**
- Fallsburg
- Fremont
- Highland
- Liberty
- Neversink (Western Portion)
- Rockland
- Thompson
- Tusten

**ULSTER COUNTY:**
- Town:
  - Hardenbergh (Western Portion)

**WESTCHESTER COUNTY:**
- Towns:
  - Bedford
  - Lewisboro
  - North Salem
  - Poundridge
  - Somers
  - Yorktown

**WALDEN DISTRICT**

**ORANGE COUNTY:**
- Village:
  - Walden

**ULSTER COUNTY:**
- Town:
  - Shawangunk (Western Portion)

- Towns:
  - Crawford (Northeastern Portion)
  - Montgomery (Western Portion)
1. Territory to which Schedule Applies (Cont'd):

**WESTERN AREA**

**CATTARAUGUS COUNTY:**
- Villages:
  - East Randolph
  - Gowanda
  - Perrysburg
  - Randolph
  - South Dayton
- Towns:
  - Conewango
  - Dayton
  - Leon
  - Napoli
  - New Albion
  - Perrysburg (Eastern Portion)
  - Persia

**ERIE COUNTY**:
- Villages:
  - Alden
  - Depew
  - East Aurora
  - Gowanda
  - Lancaster
  - Hamburg
  - Orchard Park
  - Sloan

**ERIE COUNTY (Cont'd):**
- Towns:
  - Amherst
  - Aurora
  - Boston
  - Cheektowaga (Eastern and Southern Portion)
  - Clarence
  - Colden
  - Collins (Southwestern Portion)
  - Concord (Except Southeastern Corner)
  - Elma
  - Hamburg (Eastern Portion)
  - Holland
  - Lancaster
  - Marilla
  - Orchard Park
  - Sardinia (Except Southeastern Corner)
  - Wales
  - West Seneca (Eastern Portion)

**CHAUTAUQUA COUNTY:**
- Villages:
  - Cherry Creek
  - Forestville
  - Silver Creek
- Towns:
  - Cherry Creek
  - Ellington
  - Hanover
  - Villenova

**NIAGARA COUNTY:**
- City:
  - Lockport
- Towns:
  - Lockport
  - Newfane (Portion adjacent to Town of Lockport)
  - Pendleton (Portion adjacent to Town of Lockport)

**ERIE COUNTY (Cont'd):**
- Towns:
  - Alden
  - Depew
  - East Aurora
  - Gowanda
  - Lancaster
  - Orchard Park
  - Sloan

**WYOMING COUNTY:**
- Towns:
  - Bennington
  - Java
  - Sheldon
2. Submetering:

Non-Residential

A customer may purchase electricity for resale under any service classification of this rate schedule that would be applicable if such electricity were not for resale and said customer may resell the electricity purchased to tenants on an individually metered basis subject to approval by the Public Service Commission in response to individual proposals concerning electric service furnished to:

A. Master metered, new or renovated non-residential buildings; and to commercial tenants who receive directly metered service; and

B. Commercial occupants of cooperatives, condominiums, campgrounds, recreational trailer parks or recreational marinas whose occupants were purchasing individually metered electric service on May 21, 1980.

Submetered Multi-unit Residential Premises

Submetering, remetering, or resale of electric service shall be permitted as provided in subparagraphs (a) through (d) of this Rule.

(a) Electric service shall only be provided to a multi-unit residential premises in which individual dwelling units in the premises receive submetered electric service if the submetering
   (i) is and continues to be authorized by PSC order where a PSC order was necessary;
   (ii) is and continues to be consistent with any conditions imposed by such order; and
   (iii) is and continues to be consistent with 16 NYCRR Part 96.

(b) Existing Direct Metered Multi-unit Residential Premises

(1) Electric service provided to individual residential units in existing multi-unit residential premises through direct metering may not be discontinued or replaced by master metering unless a Petition to Submeter is filed that:
   (i) complies with the applicable requirements of 16 NYCRR 96.5 and 96.6;
   (ii) seeks to convert such premises from direct metering to master-metering with submetering; and
   (iii) demonstrates that the building or complex for which master metering with submetering is sought shall participate in building level demand response programs or shall employ on-site co-generation plant or an alternative, advanced energy efficiency design, the conversion to submetering may be authorized by the PSC.

(2) All costs associated with a conversion to master metering shall be borne by the customer converting to master metering. Such costs shall be determined in accordance with P.S.C. No. 119, Rule 6, Charges for Special Services.
GENERAL INFORMATION

2. Submetering: (Cont’d)

Submetered Multi-unit Residential Premises (Cont’d)

(c) Assisted Living and Senior Living Facilities

1. Assisted Living and Senior Living Facilities may be exempted from residential individual metering requirements if they meet all of the following criteria:

(i) The applicant shall submit sufficient documentation to enable the Company to determine the applicant’s eligibility as an Assisted Living or Senior Living Facility.

(aa) An Assisted Living Facility is a multi-unit residential premises, identified as assisted living facilities and certified by the NYS Department of Health.

(bb) A Senior Living Facility is a multi-unit residential premises in which energy-efficient housing or other services are provided, and shall be provided in the future, to resident senior citizens.

(ii) The Company shall inform the applicant if such documentation is insufficient to determine eligibility. Within 30 days of receipt of adequate documentation, the Company shall notify the applicant of its eligibility or ineligibility for master metering.

2. All costs associated with a conversion to master metering shall be borne by the customer converting to master metering. Such costs shall be determined in accordance with P.S.C. No. 119, Rule 6, Charges for Special Services.

3. Assisted Living and Senior Living Facilities that no longer meet the above criteria or desire to convert to a different use shall no longer be exempt from individual metering requirements and shall either convert to individual metering or petition the PSC for approval of an alternative means of receiving electric service.

(d) Campgrounds, Recreational Trailer Parks, Marinas, and Parking Facilities

Electric service may be provided to the facility owner or operator of campgrounds, recreational trailer parks, marinas and parking facilities for redistribution to individual campsites, trailer, boat hookups, or plug-in electric vehicle charging stations with or without submetering. Master metering and submetering, at the facility owner’s or operator’s option, may be installed and used for billing without PSC approval and are not subject to submetering service conditions.

(3) Submetering in Master-metered Residential Cooperatives and Condominiums

Master-metering with submetering in residential cooperatives or condominiums shall be authorized:

(a) after filing a Notice of Intent to Submeter which includes the information, descriptions, plans, forms, certifications, and other materials and representations specified for such Notices in 16 NYCRR 96.5;

(b) after individual notices to owners or shareholders are provided pursuant to 16 NYCRR 96.3(c); and

(c) upon the PSC’s determination and order approving such submetering as in the public interest and consistent with the provision of safe and adequate electric service to residents.
GENERAL INFORMATION

3. Reliability Support Services (RSS) Surcharge

The RSS surcharge provides for recovery from customers of costs incurred by the Company and approved by the Commission for third-party services to ensure that local reliability needs are met.

A. The RSS surcharge is applicable to customers taking service under Service Classification Nos. 1, 2, 3, 5, 6, 7, 8, 9, 11, 12, 13, and 14, regardless of supplier, including customers with NYPA allocations (e.g., Expansion Power, Recharge New York Power, High Load Factor Manufacturer Power).

B. The RSS surcharge will include the following applicable costs and credits ("Net RSS costs"):  
1. monthly fixed payment costs; outside service and consultancy costs (i.e., cost of service study, costs associated with Requests For Proposals, and other applicable costs); applicable capital expenditures; and any other costs passed on by any third-party to ensure local reliability needs; and
2. any payments or credits received by the Company for energy and ancillary service revenues; any payments or credits received by the Company for capacity revenues; and any other applicable payments or credits by any third party (e.g., other utility payments).

C. Net RSS costs shall be allocated to each service classification based upon its most recent transmission plant allocator.

D. The RSS surcharge will be collected from each customer as follows:
   (i) per kWh for Service Classification Nos. 1, 5, 6, 8, 9, and 12;
   (ii) per kW for Service Classification Nos. 2, 3, 7, 13 and 14; and
   (iii) per As Used Demand for Service Classification No. 11.
3. Reliability Support Services (RSS) Surcharge (Cont’d)

E. Net RSS costs incurred by the Company prior to March 1, 2013, will be deferred and will include carrying charges at the applicable other customer deposit rate. These deferred costs will be included in the RSS surcharge commencing March 1, 2013. Net RSS costs incurred by the Company for the period beginning March 1, 2013 and subsequent thereto will be assessed on a forecast basis and recovered from customers on a current basis.

F. The RSS surcharge revenues and costs will be reconciled on a monthly basis. The RSS surcharge collected from customers will be subject to an annual reconciliation for any over- or under- collections from the previous year. The RSS reconciliation over- or under- collections will be credited or surcharged to customers, which will include interest at the applicable other customer deposit rate.

G. A RSS surcharge Statement setting forth the surcharges by service classification shall be filed with the Public Service Commission on not less than three (3) days notice. The RSS surcharge may be reset on a monthly basis. Such statement can be found at the end of this Schedule (PSC 120 – Electricity).
4. Surcharge to Collect System Benefits Charge ("SBC")

A System Benefit Charge (SBC) recovers costs associated with clean energy activities conducted by the New York State Energy Research and Development Authority (NYSERDA) and energy efficiency programs implemented by the Company. The SBC is collected from the following Service Classifications: 1, 2, 3, 5, 6, 7, 8, 9, 11, 12, 13 and 14.

On an annual basis, the SBC Statement shall be filed on not less than 15 days’ notice to become effective January 1st. Such statement may be found at the end of this Schedule (P.S.C. No. 120 – Electricity). The statement shall set forth the following surcharge rates:

A. Clean Energy Fund (CEF) Surcharge Rate:
Beginning on March 1, 2016, the CEF surcharge rate collects funds associated with clean energy activities administered by NYSERDA for the CEF and includes the following program activities that were in effect prior to 2016: Renewable Portfolio Standard (RPS), Energy Efficiency Portfolio Standard (EEPS), System Benefits Charge, and over- or under-collections associated with EEPS programs administered by the Company. The surcharge rate shall be calculated by dividing the necessary collections by the projected annual kWh sales. Necessary collections shall include:
1. Annual authorized collections for NYSERDA administered programs, plus or minus any under- or over-collections for prior years.
2. Any under- or over-collections for Company administered EEPS programs.

B. Energy Efficiency (EE) Tracker Surcharge Rate:
The EE Tracker Surcharge Rate collects funds associated with energy efficiency programs administered by the Company that were implemented beginning on January 1, 2016. The surcharge rate shall be calculated by dividing the necessary collections by the projected sales. Necessary collections shall include:
1. Annual authorized collections for Company administered programs, plus or minus any under- or over-collections for prior years, and minus interest earned on prior collections. (The reconciliation for under- or over-collections for Company administered programs shall begin in 2017.)

C. Clean Energy Standard – Tier 2 Maintenance Contracts and Backstop Charges:
The Company shall recover costs associated with The Tier 2 Maintenance Contracts and Backstop Charges (Rule 39) from all customers.

The rate shall be set annually based on expected Tier 2 Maintenance Contract costs divided by projected sales and shall include allowance for uncollectibles plus or minus any under or over-collections for prior years. If any backstop charges are incurred during the recovery period, the Company can reset the rate during that time. The Exceptions identified in Rule 4.D. below do not apply to this component of the SBC.

D. Exceptions:
The CEF and EE Tracker surcharges shall not apply to NYPA allocations of Recharge New York power as set forth under Rule 11.

5. Reserve for Future Use.

ISSUED BY: Joseph J. Syta, Vice President, Controller & Treasurer, Binghamton, New York
6. Increase in Rates and Charges Applicable Where Service is Supplied:

The rates and charges for service under all Service Classifications, including minimum charges, shall be increased to collect taxes pursuant to:

a) Section 186-a and Article 9 of the Tax Law [Gross Income Tax (“GIT”)].

b) Chapter 60, Article 9 and, where applicable, Section 20-b of the General City Law and Section 5-530 of the Village Law. The rates and charges for retail access service are not subject to the Municipal Tax (“Muni Tax”) imposed on the Company.

c) Section 186-c and Section 209-b under Article 9 of the Tax Law -- Metropolitan Business Tax Surcharge.

For the counties of Westchester, Putnam, Dutchess and Orange, the surcharge percentages will be adjusted to reflect the Temporary Metropolitan Business Tax Surcharge (“MTA Tax”) as charged to the Company under Section 186-c and Section 209-b under Article 9 of the Tax Law. A revised surcharge percentage will be filed for each year the MTA Tax surcharge is applicable. The actual tax surcharge expense will be reconciled with the amount collected during each 12-month period and a reconciling adjustment will be made, if necessary, for the last two months of each 12-month period.

Aggregate percentage tax rates will be separately calculated for rates and charges for:

1) Residential Non-Retail Access Delivery Service
2) Non-Residential Non-Retail Access Delivery Service
3) Non-Retail Access Commodity Service (Residential and Non-Residential)
4) Residential Retail Access Delivery Service
5) Non-Residential Retail Access Delivery Service
6. Increase in Rates and Charges Applicable Where Service is Supplied: (Cont’d.)

The effective aggregate percentage tax rates will be computed as follows:

Areas not subject to MTA Tax:

a) Within cities or villages subject to Municipal Tax:

\[ \left[ \frac{1}{1 - (\text{GIT} + \text{Muni Tax})} \right] - 1 \times 100 \]

b) Outside of cities or villages subject to Municipal Tax:

\[ \left[ \frac{1}{1 - \text{GIT}} \right] - 1 \times 100 \]

Areas subject to MTA Tax:

a) Within cities or villages subject to Municipal Tax:

\[ \left[ \frac{1}{\left[ \frac{1}{1/(1 + \text{MTA Tax})} / (1 - (\text{GIT} + \text{Muni Tax})) \right]} \right] - 1 \times 100 \]

b) Outside of cities or villages subject to Municipal Tax:

\[ \left[ \frac{1}{\left[ \frac{1}{1/(1 + \text{MTA Tax})} / (1 - \text{GIT}) \right]} \right] - 1 \times 100 \]

The applicable aggregate percentage rate and surcharge factor shall be set forth on a statement (Tax Surcharge Percentages Statement or “TSP Statement”) filed with the Public Service Commission. Whenever the legislature, city, village or any other governmental authority levies a new tax on the Company, repeals such tax, or changes the rate of such tax, the Company will file a new statement.

Every such statement shall be filed not less than 15 business days before the date on which the statement is proposed to be effective, and no sooner than the date when the tax enactment to which the statement responds; shall become effective no sooner than the date when the tax enactment is filed with the Secretary of State; shall be applicable to bills subject to the tax enactments that are rendered on or after the effective date of the statement; and shall be canceled not more than five business days after the tax enactment either ceases to be effective or is modified so as to reduce the tax rate.

Such statement will be duly filed with the Public Service Commission, apart from this rate schedule, and will be available to the public at the Company offices at which application for service may be made.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
GENERAL INFORMATION

7. Revenue Decoupling Mechanism Adjustment (“RDM”)

1. Applicable to:
   a. All customers taking service under residential Service Classification Nos. 1, 8, and 12, except as noted in (c.) below, and general service under Service Classification Nos. 2, 3-Primary, 3-Subtransmission, 6, 7-1, 7-2, 7-3, and 9, whether receiving electricity supply from the Company or an ESCO, such customers shall be subject to a RDM Adjustment as described below.
   i. For reconciliation purposes, the Company shall combine all residential classes and shall maintain individual general service classes; as noted above in 1.a.
   b. All customers taking service under Service Classification No. 11 and choose to be subject to the otherwise applicable service class rates (pursuant to Section 3 under “Optional Standby Service Rate Phase-In is Applicable To”). All other customers taking service under Service Classification No. 11 shall be excluded from the RDM Adjustment.
   c. The following customers shall be excluded from the RDM Adjustment: customers taking Seasonal Service under the Special Provisions in Service Classification Nos. 1 and 8, Service Classification No. 7-4 Transmission, Service Classification Nos. 5, 10, 13, and 14.

2. Definitions:
   a. “Delivery Service Revenue Target”: For residential service classifications, shall be based on combined residential service classification base delivery revenues for each month; and for general service classifications, shall be based on individual service classification base delivery revenues for each month. Delivery Service Revenue Targets for each of the Rate Years are set forth in the Joint Proposal dated February 19, 2016 in Case Nos. 15-E-0283, 15-G-0284, 15-E-0285, and 15-G-0286, as approved by the Commission on June 15, 2016. The Delivery Service Revenue Target for Rate Year 3 shall repeat annually until changed by the Commission.
   b. “Actual Billed Delivery Service Revenue”: For the purpose of RDM, shall be measured as the sum of the billed base delivery revenues from all customers for each service classification. Base delivery revenues include revenues related to the Customer Charge, Demand Charge (per kW), Reactive Charge (per kvah), and the Energy Charge for delivery (per kWh). For purposes of this calculation, revenues related to the System Benefits Charge (SBC), Rate Adjustment Mechanism (RAM), Merchant Function Charge (MFC), Transition Charge (Non-Bypassable Charge [“NBC”]), Reliability Support Services Surcharge (RSSS), and New York Power Authority (NYPA) supplied usage are excluded. All sales to customers with economic development discounts or low income bill credits shall be calculated at standard service classification rates.
   c. “Rate Year”: For the purposes of RDM, Rate Year 1 shall be effective through April 30, 2017. Each Rate Year thereafter shall begin on May 1 in all subsequent 12-month periods.
7. **Revenue Decoupling Mechanism Adjustment (“RDM”)** (Cont’d)

3. Calculation:

   a. The RDM shall reconcile per service class actual billed delivery service revenue to allowed delivery service revenue.

   b. For the residential and general service classifications or sub classification subject to the RDM as set forth in Rule 7.1.a (RDM), each month, the Company shall compare the Actual Billed Delivery Service Revenue and the Delivery Service Revenue Target. If the monthly Actual Billed Delivery Service Revenue exceeds the Delivery Service Revenue Target, the delivery service revenue excess shall be accrued for refund to customers at the end of the Rate Year. Likewise, if the monthly Actual Billed Delivery Service Revenue is less than the Delivery Service Revenue Target, the delivery revenue shortfall shall be accrued for recovery from customers at the end of the Rate Year.

   c. At the end of the Rate Year, total delivery service revenues shall be compared to cumulative monthly target revenues for the residential service classifications and each general service classification or sub classification. Any variance from cumulative target revenues shall be either refunded or surcharged to customers over the 12 monthly periods of the immediately succeeding Rate Year. Any surcharge or credit amount shall reflect interest at the then effective other customer deposit rate and shall be either recovered or returned to residential service classifications (as described in 7.1.a. (RDM)). The surcharge or credit for each applicable service classification or sub classification shall be determined by dividing the amount to be refunded or surcharged to customers in that service classification or sub classification by estimated kWh or kW deliveries to customers in that service classification or sub classification over a 12-month period. A per kW surcharge or credit shall be applied for those classes that do not have a kWh delivery charge. A per kWh surcharge or credit shall apply for all other service classifications.
7. Revenue Decoupling Mechanism Adjustment ("RDM") (cont'd)

3. Calculation (cont'd)

   d. Following each RDM Adjustment period, any difference between the amounts required to be charged or credited to customers in each service classification or sub classification and amounts actually charged or credited shall be charged or credited to customers in that service classification or sub classification, with interest, over the subsequent RDM Adjustment period, or as determined by the Public Service Commission, if no RDM is in effect Credits applied to Customer accounts pursuant to P.S.C. No. 119, Rule 4.S. shall be excluded at the subsequent annual reconciliation.

   e. The first two months of the Rate Year shall be adjusted upward to reverse the effect of proration of changes in effective delivery rates.

   f. If a customer qualifies for and takes service under Service Classification Nos. 13 or 14, or receives an allocation of NYPA Power, or if a customer taking service under Service Classification Nos. 13 or 14 switches to another service classification subject to the RDM, or has an allocation of NYPA power that expires, such customer migration shall be treated symmetrically using the following methodology:

      i. If a customer moves from a flexible rate contract to an RDM class, the RDM target shall increase by the level of revenue forecast for that customer in the rate year under the flexible rate contract pro-rated by the number of months in the new service class, making the Company whole for delivery revenues below the level forecast in the rate year. Any revenue in excess of the forecast shall be credited to the RDM class.

      ii. If a customer moves from an RDM class to a flexible rate contract, the RDM target shall be decreased by that customer’s sales in the flexible rate contract priced out at full tariff rates, making the RDM class whole for delivery revenues from the migrating customer.

      iii. In situation (a) and (b) above, the Company shall adjust the RDM targets for the remaining months of the current rate year, and in the subsequent rate years.

   g. If at any time during Rate Year, the actual total accumulated billed delivery service revenues vary plus or minus 1.50% or more from the total accumulated Delivery Service Revenue Targets, the Company may file an interim RDM Adjustment for each service classification and sub classification. For the Rate Years listed below, the amounts by Rate Year (positive or negative) shall trigger an interim RDM Adjustment for each service classification and sub classification:

      i. Rate Year 1: $8.87 million;
      ii. Rate Year 2: $9.57 million;
      iii. Rate Year 3: $10.06 million

   Such interim RDM Adjustment shall be limited to no more than one per Rate Year and shall occur over four months or until the end of the Rate Year, whichever is longer.

4. A Revenue Decoupling Mechanism (RDM) Statement setting forth the rate adjustment shall be filed with the Public Service Commission on not less than 30-days’ notice to be effective August 1. Should the Company file an interim RDM Adjustment as described above, such filing shall occur on not less than 10-days’ notice. Such statement can be found at the end of this Schedule (P.S.C. No. 120 – Electricity).

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
8. Reserved for Future Use
9. Economic Development Zone Incentive:

Upon application, a prospective or existing non-residential customer located in an approved Economic Development Zone ("Empire Zone"), that is eligible for service under Service Classification Nos. 2, 3, 6, 7 or 9, may qualify for the Economic Development Zone Incentive ("EDZI"), as stated in the applicable Special Provision for Economic Incentives of the respective service classifications for qualified electric use. Such eligible customer may qualify for the EDZI by operating or adding equipment at the premises with a nameplate rating equal to the lesser of: (a) 25% of the existing Contract Demand (or "Connected Load" for a non-Demand Charge service classification customer), or (b) 25 kilowatts (kW).

An eligible "prospective customer" is hereby defined as a business entity which demonstrates that: a) its activities are largely or entirely different in nature from that of the previous customer or b) if the activities are not different, the owner(s) is different; or c) business has not been conducted at the premises for at least six months prior to the application for EDZI benefits; or (d) the predecessor customer is in bankruptcy and the applicant has obtained the business in a liquidation sale.

An eligible "existing customer" is hereby defined as a business entity that does not qualify as a prospective customer and is presently taking electric service from the Corporation's system, thus establishing a base load. Such customer, upon application and qualification, must add equipment to increase its facility's existing load, as stated above, to qualify for this incentive, which is solely applicable to such increased load.
9. Economic Development Zone Incentive: (Cont'd)

A qualified customer may choose to take its entire service under S.C. No. 7 for the duration of the incentive term, and at the end of the incentive term such customer may either remain on the Service Classification No. 7 or revert to the otherwise applicable service classification. A customer who otherwise would be billed under S.C. No. 6 or 9, who does not choose to take service under S.C. No 7, shall be billed under S.C. No. 2 – General Service (Secondary Voltages with Demand Billing).

To qualify for the EDZI, an eligible customer, upon application, must present the Company with the appropriate certification from the approved Economic Development Zone Administrator. For customer load that qualifies on or after July 1, 2003, the EDZI shall be applied for a period of 10 years following initial zone certification, beginning with the eligibility date on the certificate, unless the customer’s initial zone certification(s) becomes invalid, notwithstanding the expiration of the designation of an Economic Development Zone in the area where the customer is located.

A qualified customer shall have his monthly service bills reduced by the amount per kWh stated in the applicable Special Provision for Economic Incentives, for all kWh (excluding kWh associated with load supplied by the New York Power Authority) in excess of a base amount of kWh established for each monthly billing period. For an existing customer, the base amount of kWh shall be based on a one-year historical period, actual or estimated, as determined by the Company prior to qualification for the incentive. For a prospective customer, the base amount of kWh shall be zero. For load qualified on or after July 1, 2003, there shall be no such limitation (e.g., 730 hours use) on the kWhs to which the incentive shall apply.

Such economic incentive rate per kWh in effect at the time of qualification shall be applied to that customer’s bill for the duration of the customer's valid certification, as specified above.

Eligibility for Rate Options

Customers receiving an Economic Development Zone Incentive (EDZI) for load qualified on or after July 1, 2003 may select one of the following rate options, as specified in General Information Section 25, Supply Service Options, for such qualified incented load: 1) NYSEG Supply Service (NSS) or 2)ESCO Supply Service (ESS) or 3) Hourly Pricing. The incentive rate reduction applicable to the qualified incented load under each rate option is set forth in the applicable Special Provision for Economic Incentives of the respective service classifications.
GENERAL INFORMATION

9. Economic Development Zone Incentive (Cont'd.)

Eligibility for Rate Options (Cont'd.)

If a prospective customer applying for service and also applying for this incentive has not elected a rate option by the time of billing, the Company shall bill the customer on the NSS rate.

A customer electing ESS must adhere to the process set forth in Section 25.I.I, Changing Supply Service Options. The Energy Services Company ("ESCO") shall contact the Company directly to convey the customer's ESS rate selection and Retail Access enrollment.

10. Economic Development Power ("EDP"):

Economic Development Power within Service Classification No. 7 is available under the following conditions:

As of March 1, 2003, customers were taking deliveries of 36.1 MW of EDP pursuant to FERC Rate Schedule No. 179. Subject to the provisions of this Section, those customers shall continue to be billed for delivery in accordance with FERC Rate Schedule No. 179. If any EDP allocation comprising part of the 36.1 MW being delivered in accordance with FERC Rate Schedule No. 179 as of March 1, 2003 is surrendered, terminated, withdrawn or otherwise relinquished, renewed or extended, and is then re-allocated by NYPA,

i. such allocation shall be delivered by the Company at the standard ESCO Supply Service (ESS) rate (as specified in Section 25, Supply Service Options), which includes the Transition Charge (Non-Bypassable Charge ["NBC"]), and

ii. the 36.1 MW level billed in accordance with FERC Rate Schedule No. 179 shall be reduced accordingly.

Beginning on August 1, 2007, customers taking deliveries of “New Allocations” of EDP shall be exempt from the Transition Charge (Non-Bypassable Charge ["NBC"]) in accordance with General Information Section 12.

EDP deliveries shall be exempt from the System Benefits Charge effective January 1, 2007. The rates and conditions provided in this provision are subject to review by, acceptance by or approval from the Federal Energy Regulatory Commission ("FERC") to the extent of the FERC's jurisdiction.
11. **Recharge New York (“RNY”) Power Program**

Chapter 60 (Part CC) of the Laws of 2011 created the Recharge New York (“RNY”) Power Program and under the RNY Power Program, NYPA is authorized to, among other things, allocate and sell up to 910 megawatts (“MW”) of RNY Power to customers as provided for in Public Authorities Law § 1005(13-a) and Economic Development Law § 6 within the entire service territory. RNY Power currently consists of:

(i) 455 MW of certain firm hydroelectric power (i.e. capacity and energy) from the Niagara and Saint Lawrence hydroelectric projects; and

(ii) 455 MW of power (i.e. capacity and energy) procured by NYPA through market sources, or supplied by the Company or an ESCO.

Such implementation is conditioned upon entry by the Company and NYPA into a “Recharge New York Agreement” and upon the physical availability of RNY Power. Eligibility of individual customers is also conditioned upon compliance with the Eligibility Criteria described below.

**ELIGIBILITY**

Effective July 1, 2012:

A. A customer otherwise qualifying under Service Classification Nos. 2, 3, 7 or 11 that has met the requirements of the Economic Development Power Allocation Board (“EDPAB”), together with all additional approvals pertaining to such recommendation, that pursuant to Chapter 60 (Part CC) of the Laws of New York Laws of 2011, qualifies the customer to receive an allocation of RNY from NYPA, and remain in compliance with any applicable requirements therein; and

B. A customer receiving an RNY allocation that has received or receives an economic delivery rate pursuant to the Empire Zone Rate or Economic Development Zone Incentive (EZR), the Excelsior Jobs Program (EJ), or the Incremental Load Rate (ILI) Incentive shall choose between the economic development incentive and RNY delivery discount for which they qualify. Only one delivery discount will be applied to a specific portion of the customer’s load. The customer will make a one-time election and provide its election to the Company in writing. If the customer fails to provide the Company with its written one-time election, the customer will default to the EZR, EJ, or ILI delivery rates. Choosing the EZR, EJ, or ILI delivery rate will not alter the supply load factor sharing described below.

1. If a customer that is participating in the EZR, EJ, or ILI and has a baseload elects to receive the EZR, EJ, or ILI delivery rate, the customer will receive the RNY delivery discount on the baseload up to their designated RNY allocation.

2. If a customer that is participating in the EZR, EJ, or ILI and does not have a baseload elects to receive the EZR, EJ, or ILI delivery rate, the customer will receive the EZR, EJ, or ILI delivery rate on their entire load and will not receive the RNY delivery discount.

3. A customer that is participating in the EZR, EJ, or ILI and elects to receive the RNY Program delivery discounts will receive the RNY Program delivery discounts on their entire RNY allocation and will receive the EZR, EJ, or ILI delivery rate on any qualified load above the RNY allocation.

A customer that elects to receive the EZR, EJ, or ILI delivery rate shall automatically revert to receiving the RNY Program delivery discount if the EZR, EJ, or ILI delivery rate is, or becomes, the same as standard service classification rates. If the EZR, EJ or ILI delivery rate becomes lower than the standard service classification rates, the customer’s election of the EZR, EJ or ILI delivery rate shall be reinstated.

If a customer participating in the EJ Program does not receive its annual certification from ESD in any year they are participating in the EJ Program, the customer will automatically revert to receiving the RNY Program delivery discount until such customer receives its certification from ESD for the EJ Program.

C. If a customer receiving service under this Special Provision has a demonstrated financial need, such customer shall be eligible to combine the RNY delivery discount with any other economic development incentive or flexible tariff rate, term or condition under Service Classification Nos. 13 and 14 for the same portion of the customer’s load. Simply qualifying for a RNY allocation and another economic development program is not sufficient showing of financial need for the purpose of combining delivery rate discounts on the same portion of a customer’s load. A customer that qualified for a RNY Program allocation and received another economic development incentive prior to March 18, 2013, shall be grandfathered under this Rule.

NYPA shall give the Company not less than thirty (30) days written notice prior to the requested effective date of any of the following events: (a) initial communication of a RNY allocation; (b) a change in the amount of a RNY allocation previously reported to the Company; and (c) a termination of a RNY allocation. The change to the RNY Power Allocation billing will become effective with the next full billing period that is practicable after the notification of the change, except for customers receiving a Power for Jobs allocation whose RNY allocation becomes effective on July 1, 2012; these customers shall receive their RNY benefits starting on July 1, 2012. A change to a delivery point shall be handled as a termination of a RNY allocation to the current delivery point and an enrollment of a RNY Allocation to the new delivery point.

Service under this provision is available to customers approved by EDPAB, subject to the partial or complete withdrawal of such allocation by NYPA or the EDPAB, in the event the customer fails to maintain mutually agreed upon terms of their contracts. Service under this provision will be available to qualified customers for the duration that such an allocation, specifically designated for the purpose of the RNY Power Program, is made available through NYPA.

**ISSUED BY:** James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
11. **Recharge New York ("RNY") Power Program** (Cont’d)

**Billing:**
The customer’s “RNY Contract Demand” shall be the level of demand specified in the customer’s RNY allocation approved by NYPA. The RNY allocation is comprised of 50% firm hydroelectric power (i.e. capacity and energy) from the Niagara and Saint Lawrence hydroelectric projects, and 50% market power (i.e. capacity and energy). The market power can be supplied by NYPA or the customer’s supplier for electricity in accordance with the Supply Service Options set forth in General Information Section 25.

The customer’s RNY allocation shall be subject to the Delivery Charges listed within the customer’s Service Classification and the Transition Charge (Non-Bypassable Charge [“NBC.

The customer’s RNY allocation shall be exempt from paying the System Benefit Charge. The customer’s RNY allocation shall be exempt from the Revenue Decoupling Mechanism (“RDM”) Adjustment (as described in General Information Section 7.).

The non-NYPA supplied load shall be billed at the ESCO Supply Service rate or the NYSEG Supply Service rate of the customer’s Service Classification.

**Demand Exceeding the RNY Contract Demand:**
To the extent that a customer’s maximum billing demand (maximum metered demand for S.C. No. 11), for the current month exceeds its RNY Contract Demand, the customer’s billing determinants shall be allocated between NYPA and the Company or the ESCO as described below in the section denominated “Load Factor Sharing.”

**Load Factor Sharing:**
For customers receiving a portion, but not all, of their electric requirements pursuant to a RNY allocation, the Company shall apply a billing algorithm, the Billing Determinant Ratio (“BDR”), to identify, for the purposes of billing delivery charges, the load eligible for the RNY program pursuant to Chapter 60 (Part CC) of the Laws of 2011 and the load considered non-RNY load.

**Determination of Billing Demand and Energy:**
For the purposes of this procedure, Billing Demand and Energy shall be determined in accordance with the customer’s Service Classification, for S.C. No. 11 Standby customers maximum metered demand shall be used. The RNY Contract Demand shall not be prorated for billing periods less than 25 days or longer than 35 days.

**Demand:**
A. Calculate the BDR which is used to allocate the present month’s Billing Demand (maximum metered demand for S.C. No. 11) and Energy between RNY and Non-RNY. The BDR’s numerator is the RNY Contract Demand and the BDR’s denominator is the greater of:
   1. the maximum Billing Demand for the current month, the maximum metered demand for S.C. No. 11
   2. the value (size in kW) of the RNY Contract Demand.

The calculated value shall then be greater than zero and less than or equal to 1.0.”
GENERAL INFORMATION

11. Recharge New York (“RNY”) Power Program (Cont’d)

Demand: (cont’d)

B. Calculate the RNY Billing Demand. The RNY Billing Demand is the mathematical product of the BDR and the current month's Billing Demand, the maximum metered demand for SC No. 11.

C. Calculate the non-RNY Billing Demand. The non-RNY Billing Demand is the difference between the Billing Demand (maximum metered demand for SC No. 11) for the billing period and the RNY Billing Demand from step B, above.

Energy:
A. Calculate RNY Energy. RNY Energy is the mathematical product of the BDR and total energy consumption, consumption by peak and off-peak, or consumption by hour as applicable.

B. Calculate non-RNY Energy. Non-RNY Energy is the difference between total energy consumption, consumption by peak and off-peak, or consumption by hour as applicable and RNY Energy from step A, above.

Capacity:
When the Company develops installed capacity (“ICAP”) requirements for RNY Power Program participants, the Company shall derive them on an individual basis at the time of the monthly NYCA peak date and time. When hourly data is not available, the appropriate service class profile will be used to determine the customer’s capacity responsibility. A new capacity responsibility amount will be established for each customer each April, to be effective on or after May 1. The ICAP requirement for the RNY Power portion of the total ICAP requirement for each Program Participants shall be split based on the demand at the NYCA peak.
PSC No: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: January 1, 2014
Issued in compliance with order in Case 13-E-0109 dated November 15, 2013.

GENERAL INFORMATION

12. Western New York NYPA Power (formerly known as New Allocations of NYPA Power)

Pursuant to the Commission’s Order Adopting Joint Proposal on New York Power Authority Issues, issued and effective July 20, 2007 and Order Approving Request and Directing the Filing of Tariff Amendments, issued and effective November 15, 2013, Case 13-E-0109:

Western New York (“WNY”) NYPA allocations are defined as allocations of NYPA Power that are part of the Expansion Power, Replacement Power, High Load Factor Manufacturer Power, or Preservation Power programs made to customers within the Company’s service territory.

For customers receiving WNY Allocations of NYPA Power, such NYPA load will be served under the applicable Service Classification Nos. 2, 3, or 7 at the Company’s standard ESCO Supply Service (ESS) tariff rates or if applicable Empire Zone Rate or Economic Development Zone Incentive (EDZI), the Excelsior Jobs Program (EJ), or the Incremental Load Rate (ILI).

a. New allocations of NYPA power for customers served under Service Classification Nos. 2, 3, or 7, as applicable, up to a total of 100 MW, will be exempt from the Transition Charge (Non-Bypassable Charge). For certain adjustments approved by the Commission, a separate credit will be calculated and placed on the customer’s bill, and

b. WNY Allocations of power for customers served under Service Classification Nos. 2, 3, or 7, will be exempt from the Revenue Decoupling Mechanism Adjustment.

c. A customer receiving a WNY allocation that has received or receives an economic delivery rate pursuant to the EDZI, the EJ, the ILI incentive shall choose between the economic development incentive and WNY delivery discount for which they qualify. Only one delivery discount will be applied to a specific portion of the customer’s load. The customer will make a one-time election and provide its election to the Company in writing. If the customer fails to provide the Company with its written one-time election, the customer will default to the EDZI, EJ, or ILI delivery rates.

1. If a customer that is participating in the EDZI, EJ, or ILI and has a baseload elects to receive the EDZI, EJ, or ILI delivery rate, the customer will receive the WNY delivery discount on the baseload up to their designated WNY allocation.

2. If a customer that is participating in the EDZI, EJ, or ILI and does not have a baseload elects to receive the EDZI, EJ, or ILI delivery rate, the customer will receive the EDZI, EJ, or ILI delivery rate on their entire load and will not receive the WNY delivery discount.

3. A customer that is participating in the EDZI, EJ, or ILI and elects to receive the WNY Program delivery discounts will receive the WNY Program delivery discounts on their entire WNY allocation and will receive the EDZI, EJ, or ILI delivery rate on any qualified load above the WNY allocation.

A customer that elects to receive the EDZI, EJ, or ILI delivery rate shall automatically revert to receiving the WNY Program delivery discount if the EDZI, EJ, or ILI delivery rate is, or becomes, the same as standard service classification rates. If the EDZI, EJ or ILI delivery rate becomes lower than the standard service classification rates, the customer’s election of the EDZI, EJ or ILI delivery rate shall be reinstated.

If a customer participating in the EJ Program does not receive its annual certification from ESD in any year they are participating in the EJ Program, the customer will automatically revert to receiving the WNY Program delivery discount until such customer receives its certification from ESD for the EJ Program.

If a customer receiving service under this Special Provision has a demonstrated financial need, such customer shall be eligible to combine the WNY delivery discount with any other economic development incentive or flexible tariff rate, term or condition under Service Classification Nos. 13 and 14 for the same portion of the customer’s load. Simply qualifying for a WNY Program allocation and another economic development program is not sufficient showing of financial need for the purpose of combining delivery rate discounts on the same portion of a customer’s load.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
Issued in compliance with order in Case No. 05-E-1222 dated 08/23/06.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
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Issued in compliance with order in Case No. 05-E-1222 dated 08/23/06.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
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ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
Issued in compliance with order in Case No. 05-E-1222 dated 08/23/06.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
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ISSUED BY:  James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
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ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
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Issued in compliance with order in Case No. 05-E-1222 dated 08/23/06.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
GENERAL INFORMATION

12.  Reserved for Future Use
GENERAL INFORMATION

13. Reserved for Future Use
PSC No: 120 - Electricity
New York State Electric and Gas Corporation
Initial Effective Date: July 1, 2016
Issued in compliance with Order in Case 15-E-0283, dated June 15, 2016

GENERAL INFORMATION

13. Reserved for Future Use

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
GENERAL INFORMATION

14. Competitive Metering Option:

(a) General

This Section contains the rates, terms and conditions of the Company’s Competitive Metering Option, consistent with the Commission’s New York Practices and Procedures for The Provision of Electric Metering in A Competitive Environment, set forth within Addendum-MET of P.S.C. No. 119 (“Manual”), or superseding issues thereof.

 Qualified Customers may obtain electric metering services from the Company or an entity other than the Company (“competitive metering services”) consistent with the provisions of this Rule and P.S.C. No. 119. Competitive metering services may be obtained directly from a MSP which meets the requirements of Section 14.d below.
14. Competitive Metering Option: (Cont’d.)

(b) Customer Qualification

i. Qualified Customers whose entire or partial load is served under any of the Company’s economic development incentive rates (EDZI or ILI) and who select the Competitive Metering Option must elect the Competitive Metering Option on their entire load. Similarly, Qualified Customers who receive a portion of their Electric Power Supply from NYPA (Replacement Power, HLFM, Preservation Power, WNY and Recharge NY Power) and who select the Competitive Metering Option must elect the Competitive Metering Option on their entire load.

ii. Qualified Customers, defined as those who have a metered demand of at least 50 kW at each meter in any two consecutive months during the most recent 12-month period, may select the Competitive Metering Option as set forth in the Manual.

Customers whose entire load is served under service class 13 or 14 contracts may be eligible for the Competitive Metering Option after their contracts expire, unless their contracts with the Company permit such customer to become eligible earlier.

A Customer who contracts with a qualified Meter Service Provider (MSP) and a qualified Meter Data Service Provider (MDSP) to provide meter services and meter data services must notify the Company in writing that it is procuring those services competitively. The MSP and MDSP must be qualified with the New York State Department of Public Service as set forth in the Manual.

iii. Note that a Direct Customer, defined as a customer eligible for electric retail access, with one MW or greater of load in any hour that there is a scheduled transaction that acts without an ESCO and acts to procure Electric Power Supply solely for its own use and not for resale, is prohibited from acting as its own MSP or MDSP, pursuant to the Manual.

(c) Competitive Metering Charges

Qualified Customers who obtain competitive metering service(s) from an MSP/MDSP for competitive metering shall not be charged the Meter Ownership, Meter Service and/or Meter Data Service Charge for the specific service(s) provided by the competitive metering provider.
14. Competitive Metering Option: (Cont’d.)

   (d) MSP/MDSP Eligibility Requirements
   An MSP/MDSP must have signed and delivered to the Company an Operating Agreement for
   Competitive Metering prior to their providing competitive metering services to a Qualified
   Customer.
14. Competitive Metering Option: (Cont’d.)

(e) Sign-up/Enrollment:

The MSP shall provide the Qualified Customer a statement of the MSP’s terms and conditions that detail the Qualified Customer's rights, responsibilities, and expected costs (“Disclosure Statement”). A Qualified Customer’s sign-up with the MSP shall not be effective until three calendar days after the Qualified Customer’s receipt of the Disclosure Statement.

With a minimum notification time of 10-calendar days prior to the Qualified Customer’s next scheduled meter reading date, the MSP must provide the Company with notice, using Electronic Data InterChange (“EDIC”) mechanisms, stating that the MSP shall provide the Qualified Customer with competitive metering services beginning on a certain date. The MSP shall provide to the Company the name of the customer who is financially responsible for the account, service address, mailing address, account number, and meter number of the Qualified Customer to be enrolled. Until EDIC mechanisms are functional the Company shall accept the above-specified information by E-mail at suppliers@nyseg.com.
GENERAL INFORMATION

14. Competitive Metering Option: (Cont’d.)

(f) Meter Data Transfer

For revenue cycle meter data transfer (meter readings), the MSP/MDSP shall provide the Corporation, at no cost, all data required to issue a bill for the Company’s services using Electronic Data InterChange (“EDIC”) mechanisms.

A PSC-eligible MSP/MDSP shall read meters it owns/controls at the frequency specified by the Corporation, and shall provide the Company-required billing data within the time limits specified by the Corporation as further clarified in the Operating Agreement for Competitive Metering.
GENERAL INFORMATION

14. Competitive Metering Option: (Cont’d.)

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14. Competitive Metering Option: (Cont’d.)

(g) Indemnity and Limitation on Liability:

i. Indemnification:

MSPs/MDSPs agree to indemnify, defend and save the Company harmless from and against any and all liabilities, losses, damages, costs, expenses, causes of action, suits, judgments and claims, including, but not limited to, reasonable attorneys fees and the costs of investigation, (collectively "claims"), in connection with any action, suit or proceeding by or on behalf of any person, firm, corporation or other entity arising from, caused by or relating to the (1) curtailment or interruption of services to the MSP/MDSP or its Qualified Customers, due to causes beyond the control of the Company (including, without limiting the generality of the foregoing, executive or administrative rules or orders issued from time to time by State or Federal officers, commissions, boards or bodies having jurisdiction) or (2) interruption, irregularity, failure or defective character of services to the MSP/MDSP, its Qualified Customers, due to causes beyond the control of the Company (including, without limiting the generality of the foregoing, executive or administrative rules or orders issued from time to time by State or Federal officers, commissions, boards or bodies having jurisdiction) or (3) failure by MSP/MDSP to perform any of the agreements, terms, covenants or conditions of the Competitive Metering Program to be performed by MSP/MDSP or (4) failure of MSP/MDSP to perform any agreement between MSP/MDSP and its Qualified Customers.

ii. Limitation on Liability:

The Company shall endeavor at all times to provide regular and uninterrupted service to the MSP/MDSP, its Qualified Customers, but in case the service shall be interrupted or irregular or defective or shall fail, from causes beyond the control of the Company (including, without limiting the generality of the foregoing, executive or administrative rules or orders issued from time to time by State or Federal officers, commissions, boards or bodies having jurisdiction) or because of the ordinary negligence of the Company or its employees, servants or agents, the Company shall not be liable to the MSP/MDSP, its Qualified Customers, therefor. Compliance with directives of the NYISO shall, without limitation by reason of specification, constitute a circumstance beyond the control of the Company for which the Company shall not be liable; provided, however, that the Company shall not be absolved from any liability to which it may otherwise be subject for gross negligence or intentional wrongdoing in the manner in which it carries out the NYISO instructions.
14. Competitive Metering Option: (Cont’d.)

(h) Competitive Metering Fees

Consistent with the Manual, the Company shall assess the following fees associated with the Competitive Metering Option:

i. If an MSP/MDSP requests an off-cycle meter read of the Company-provided or the Company-controlled meter, the MSP shall be charged a fee of $20.

ii. If the Company removes an MSP meter, unless otherwise agreed to, the MSP shall be charged a fee of $150.

iii. To provide an MSP access to high-voltage CTs and PTs, the Company shall charge the MSP a fee of $20.

iv. If an MSP fails to keep a site visit appointment with the Company within 15 minutes of the agreed to time, the MSP shall be charged a fee of $20.

v. If an MSP switched a customer to competitive metering services without their authorization, the MSP shall be charged fees amounting to all reasonable costs incurred by the Company.
15. Reserved for Future Use

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
GENERAL INFORMATION

16. General Retail Access:

A. Introduction:

1. This Section contains the terms and conditions pertaining to General Retail Access. The rate options under which customers may take retail access are detailed in Rule 25, Supply Service Options.
16. General Retail Access: (Cont’d.)

A. Introduction: (Cont’d.)

2. All transmission service within New York State is obtained through the New York Independent System Operator (“NYISO”) pursuant to the NYISO Tariffs. This General Retail Access tariff may be revised, modified, clarified, supplemented, amended or superseded as may be necessary as a result of the NYISO Tariffs. The Company may seek to revise the terms and conditions of the tariff, the Electric Supplier Manual and the Operating Agreement (including any pricing terms) as necessary to comply with the requirements of the NYISO Tariffs.
GENERAL INFORMATION

16. General Retail Access: (Cont’d.)

B. Definitions:

As used herein, the following terms shall have the meanings set forth below. Additionally, other terms used within this Schedule are defined in the Uniform Business Practices (“UBPs”) (UPB Addendum).

Ancillary Services: Those services necessary to support the transmission of energy from generation resources to loads while maintaining reliability of the electric system. Ancillary Services are described and provided for in the NYISO (defined below).

Auction: the Company's auction of coal-fired generation assets as set forth in the Agreement approved in the Settlement Order.

Balancing and Settlement: Load Balancing and Settlement is the process of reconciling (1) scheduled deliveries of Electric Power Supply by an ESCO/DC to serve their own needs or those of Eligible Customers, to (2) total actual customer load of the ESCO or a DC’s load, on an hourly basis. The NYISO provides energy imbalance service (also known as Balancing and Settlement) in accordance with the NYISO Market Services Tariff.

Business Days: As defined in the Company's Tariff, P.S.C. No. 119 - Electricity, as the same may be revised, modified, amended, supplemented, clarified or superseded.

Combination Account: A common account for both gas and electric service for the purpose of combined gas and electric billing by the Company. A Combination Account is served under P.S.C. No. 87 - Gas or P.S.C. No. 88 - Gas, and under this Schedule.

Commission or PSC: Public Service Commission of the State of New York, or any successor agency thereto.
GENERAL INFORMATION

16. General Retail Access: (Cont’d.)

B. Definitions: (Cont’d.)

Customer: A customer that takes service through an account that meets the customer eligibility criteria set forth in Section 16.D.

Department of Public Service (“DPS”): The Public Service Commission Staff which is responsible for developing and implementing New York State regulatory and energy policies; receiving, investigating, and resolving complaints on billing, services, or other utility practices; and administering regulations issued by the Commission. (For example, ESCOs must file their initial eligibility application with the Commission’s Consumer Services Division, a part of DPS.)

Electric Power Supply: The electricity required to meet the Eligible Customer’s needs, including energy, Energy Losses, Unaccounted for Energy (“UFE”), Capacity, Capacity Reserves, Capacity Losses, ancillary services, NYPA Transmission Access Charges (“NTAC”), transmission project costs allocated to the Company under the NYISO tariff as approved by FERC, and Supply Adjustment Charge. ESCOs/DCs are responsible for providing the full Electric Power Supply requirements of their eligible customers.

Energy Losses: The unusable energy that results from the generation, transformation, transmission and distribution of Electric Power Supply to an Eligible Customer’s meter. Unaccounted For Energy (“UFE”) is also included.

Industrial Customer: An account of a customer which is coded Revenue Class 30 as defined by Division “D” of the Standard Industrial Classification (“SIC”) Manual that is engaged in manufacturing (SIC Codes 20-39) or Division “B” mining (SIC Major Codes 10-14) and which does not qualify for the Industrial/High Load Factor provision within S.C. Nos. 2, 3, and 7 of this tariff as more particularly described herein.

FERC: Federal Energy Regulatory Commission, or any successor agency thereto.
16. General Retail Access: (Cont’d.)

B. Definitions: (Cont’d.)

Interruptible Service: Special Provision (c) of S.C.7 sets forth the terms under which the Company will provide a monthly billing credit to customers who agree to reduce their demand to a specified level when service interruption is requested by the Company.

Involuntary Switch: A process or situation where an Eligible Customer's ESCO is changed from one provider e.g., ESCO or utility, to another without the Eligible Customer's authorization. An involuntary switch that is not in accord with the "Discontinuance of Service" provision set forth in this tariff is referred to as "slamming." Examples of involuntary switches include, but are not limited to, situations where a customer returns to the Company’s service as a result of an ESCO’s failure to deliver, the ESCO going out of business, or the termination of the ESCO’s participation in the Company’s Program.

New York Independent System Operator ("NYISO"): An organization formed under FERC approval to provide equal access to the transmission system of New York State and to maintain system reliability, and any successor organization thereto.

NYISO Open Access Transmission Tariff ("NYISO OATT"): The tariff filed with and approved by FERC as the same may be revised, modified, amended, clarified, supplemented or superseded, that sets forth the rates, terms and conditions under which the NYISO provides open access transmission service.

NYISO Tariffs: The NYISO OATT (defined above) and the NYISO Market Services Tariff, as well as NYISO technical bulletins, procedures and any other guidelines issued by the NYISO that set forth the rates, terms and conditions under which the NYISO provides open access transmission services.
GENERAL INFORMATION

16. General Retail Access: (Cont’d.)

B. Definitions: (Cont’d.)

Operating Agreement: The standard form agreement between the Company and the ESCO or the DC setting forth the duties, responsibilities and obligations of the Company and the ESCO or the DC, which agreement must be executed and delivered by the ESCO or the DC as a condition to participate in the Program.

Opinion No. 97-5: The Commission's Opinion and Order Establishing Regulatory Policies for the Provision of Retail Energy Services, issued and effective May 19, 1997, in Case No. 94-E-0952, as the same may be revised, modified, amended, clarified, supplemented or superseded.

Opinion No. 99-3: The Commission’s Opinion and Order concerning Uniform Business Practices, in Case 98-M-1343, issued February 16, 1999 (the “UBP Order”) as the same may be revised, modified, amended, clarified, supplemented or superseded.

Order: The Commission's Order Establishing Retail Access Pilot Programs, issued and effective June 23, 1997, Case No. 96-E-0948, as the same may be revised, modified, amended, clarified, supplemented or superseded.

Partial Requirements Customers: Those customers that are taking service for a portion of their load under the Company’s economic incentives, Interruptible Service or NYPA service.

POLR: The Provider Of Last Resort as defined in Section 16.D.15 of this General Retail Access tariff.
GENERAL INFORMATION

16. General Retail Access: (Cont’d.)

B. Definitions: (Cont’d.)

Segment Load Profiles: The electric power consumption (kWh) as measured in one hour intervals, statistically valid for a specified group of Eligible Customers.

Standard Load: Load served at the Company’s standard tariff rates, terms and conditions.
16. General Retail Access:

B. Definitions: (Cont’d.)

Supplier Manual: The Customer Advantage Supplier Manual dated August 1, 1998, as the same may be revised, modified, amended, supplemented, clarified or superseded.

Uniform Business Practices (UBPs) shall mean those practices set forth in the UBP Addendum, which are incorporated herein by reference.

Unforced Capacity (“UCAP”): power supply resources (maximum realizable generator capabilities adjusted for forced outage rates, also may include special case resources) obtained by an ESCO/DC to meet the peak load the ESCO/DC will serve in a given Obligation Procurement Period.

Unforced Capacity Losses (“UCAP Losses”): The unusable energy and associated capacity that results from the generation, transformation, transmission and distribution of energy to meet peak load.

Unforced Capacity Reserves (“UCAP Reserves”): power supply resources (maximum realizable generator capabilities adjusted for forced outage rates, also may include special case resources) in excess of the system peak load required by the NYISO. The UCAP Reserves amount is set annually by the New York State Reliability Council (“NYSRC”) or the NYISO.

Voluntary Switch: A process or situation where an Eligible Customer's ESCO is changed from one provider to another with the customer's authorization or where an Eligible Customer returns to the Company on its own initiation. A Voluntary Switch is any switch authorized by the Eligible Customer. An ESCO may act as the customer’s authorized designee in a voluntary switch situation.

C. Implementation

1. See Rule 25 of this Schedule, Supply Service Options, to elect a Retail Access Rate Option.
16. General Retail Access: (Cont’d.)

D. Eligible Customer Participation:

1. Eligibility Requirements:

   Eligibility to participate in General Retail Access is open to all customers subject to requirements set forth in Rule Nos. 16 (General Retail Access) and 25 (Supply Service Options.)

   (a) For customers taking service under an economic incentive provision (EDZI, or ILI), the Company shall bill such incentivized or discounted load at the applicable rate option as specified in the applicable Special Provision for Economic Incentives of the respective service classifications, subject to Rule 25, Supply Service Options. The customer shall select the same Supply Service Option for all of their load, including the portion of their load receiving the incentive.

   (b) Customers whose entire load is served under Service Classification Nos. 13 or 14 may be eligible for retail access after their contracts expire, unless their contracts with the Company permit such customer to become eligible earlier. Upon expiration of such S.C. 13 or S.C. 14 contracts, customers may be eligible to select any Supply Service Option in accordance with Rule 25, Supply Service Options.
16. General Retail Access: (Cont’d.)

D. Eligible Customer Participation: (Cont’d.)

1. Eligibility Requirements: (Cont’d.)

   (d) Customers who receive a portion of their Electric Power Supply from NYPA, (Expansion, EDP, HLFM, Replacement or Preservation Power, Recharge NY Power), with Standard Load (non-NYPA load), shall be permitted to take General Retail Access service for their Standard Load. The NYPA load will continue to be billed at the appropriate NYPA rate as specified in General Information Rule 11 or the Special Provision of Service Classification No. 7. If the NYPA allocation expires or is terminated, the customer will have 30 days to elect a Supply Service option for that load, subject to the provisions of Section 25, Supply Service Options.
GENERAL INFORMATION

16. General Retail Access: (Cont’d.)

D. Eligible Customer Participation: (Cont’d.)

1. Eligibility Requirements: (Cont’d.)

(e) The following customer eligibility requirements also apply:

i. A Customer, whose Electric Power Supply and delivery would otherwise be provided by the Company, under S.C. Nos. 1, 2, 3, 5, 6, 7, 8, 9, 11 or 12, may arrange for Electric Power Supply only from an ESCO that meets the requirements set forth herein.

ii. A Customer may select only one ESCO at a time per customer account, regardless of the number of meters.
GENERAL INFORMATION

16.  General Retail Access: (Cont’d.)

    D.  Eligible Customer Participation: See UBP Addendum
GENERAL INFORMATION

16. General Retail Access: (Cont’d.)

RESERVED FOR FUTURE USE
16. General Retail Access: (Cont’d.)

D. Eligible Customer Participation:

1. Customer Information - Current:

   All information to be furnished by the Company shall be provided electronically via EDI to ESCOs/DCs when the data is acceptable to the Company for the purposes of billing its Customers for service provided by the Company. Where estimated meter readings are used, the estimated usage must be provided to ESCOs/DCs when the data is acceptable by the Company to bill its Customers for service provided by the Company. All subsequent changes or corrections and adjustments to previously supplied data shall be made available to the ESCOs/DCs when the data is acceptable to be used for its Customers.

2. Historical & Current Information Available Free of Charge:

   For usage and billing information, the Company shall provide up to 24 months of the most recent historic usage and billing information except as provided for in paragraph 3 below. For credit information, the Company shall provide information on whether the Customer had late payments and/or disconnections due to non-payment during the immediately preceding 24 months or life of the account, whichever is shorter.

3. Historical & Current Information Available For A Fee:

   For historical usage and billing information and credit information, see UBP Addendum, Section 4.E. Should a Customer and/or its designee request historical usage and billing information for more than 24 consecutive months, the Company shall provide this information (if available) for a fee of $15 for each additional 12 month period or portion thereof. Should a Customer or its authorized designee request historical interval data in special customized formats, a fee shall apply. Detailed interval data for an account, if available, shall be provided at a fee of $40 per meter, per request, for data up to 24 months. For credit information, a $15 fee shall be charged for credit information beyond the 24 month period. The fees detailed in this section shall be payable by the requestor. Information not identified in this paragraph shall be supplied, if available, at the Company’s incremental cost. All information shall be provided via a non-EDI method. The Company reserves the right not to be required to provide data in any special customized format.
16. General Retail Access: (Cont’d.)

D. Eligible Customer Participation: (Cont’d.)

4. Sending Customer Information:

Usage and billing information shall be sent to the requestor via EDI. ESCOs shall be required to obtain and retain proper customer authorization for such information. Credit information shall be mailed to the Customer’s address unless the Company receives the proper written customer authorization from the ESCO in which case it shall be provided to the ESCO.

5. Confidentiality:

The ESCO must keep confidential any customer information (usage and billing and credit information) obtained from the Company. This information shall not be disclosed to any party, unless otherwise authorized by the Customer in writing. All other customer information, such as account numbers (and any passwords used, if applicable), telephone numbers and service addresses, shall also be kept confidential and not disclosed to others, unless otherwise authorized in writing by the Customer.

The Company shall not disclose a customer's usage and billing and credit information to an ESCO unless the Customer has notified the Company, in writing, that such information may be disclosed.
GENERAL INFORMATION

16. General Retail Access: (Cont’d.)

D. Eligible Customer Participation: (Cont’d.)

RESERVED FOR FUTURE USE
GENERAL INFORMATION

16. General Retail Access: (Cont’d.)

D. Eligible Customer Participation: (Cont’d.)

RESERVED FOR FUTURE USE
16. General Retail Access: (Cont’d.)

D. Eligible Customer Participation: (Cont’d.)

RESERVED FOR FUTURE USE


ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
GENERAL INFORMATION

16. General Retail Access: (Cont’d.)

D. Eligible Customer Participation: (Cont’d.)

RESERVED FOR FUTURE USE
16. General Retail Access: (Cont’d.)

D. Eligible Customer Participation: (Cont’d.)

6. Changes in Supplier:

(a) Voluntary Switch Back to the Company Service

If a Customer voluntarily chooses to switch back to the Company service for Electric Power Supply, such Customer must notify the Company at least five business days before the Customer’s next scheduled meter reading date, interim estimated meter reading date or a requested Special Meter Reading date.

(b) Involuntary Switch

An involuntary switch is a process or situation where a Customer’s ESCO is changed from one provider e.g., ESCO or utility, to another without the Customer’s authorization. An involuntary switch that is not in accord with the “Discontinuance of Service” provisions set forth in the UBP Addendum, Section 2.F. is referred to as “slamming.” Examples of involuntary switches include, but are not limited to, situations where a customer returns to the Company service as a result of an ESCO’s failure to deliver, the ESCO going out of business, or the termination of the ESCO’s participation in the Company’s General Retail Access Program.
GENERAL INFORMATION

16. General Retail Access: (Cont’d.)

D. Eligible Customer Participation: (Cont’d.)

6. Changes in Supplier: (Cont’d.)

RESERVED FOR FUTURE
16. General Retail Access: (Cont’d.)

D. Eligible Customer Participation: (Cont’d.)

6. Changes in Supplier: (Cont’d.)

(c) Special Meter Reading Fees

A $20 fee per customer location, per meter, per read attempt, shall be charged to the party requesting a Special Meter Reading. A Special Meter Reading is a meter reading performed on a date other than the Customer's regularly scheduled meter reading date. Requests for Special Meter Reading dates must be made not less than five business days in advance of the requested meter reading date.

(d) Budget Billing Adjustments

The Company Budget Billings, as set forth in the Company’s tariff, P.S.C. No. 119 - Electricity, at Rule 4.O, may be adjusted at the switch dates as required to reflect changes in the Company’s service and, if adjusted, shall be reflected in the Customer’s next bill.
16. General Retail Access: (Cont’d.)

D. Eligible Customer Participation: (Cont’d.)

7. Metering:

(a) The metering requirements set forth in the Company's Tariff, P.S.C. No. 119 - Electricity, General Information Section 3 - Service Connections, apply here. Eligible Customers shall continue to use existing meters.

(b) An Eligible Customer that does not take service under an economic incentive provision that requests a meter other than that provided by the Company, commensurate with the Eligible Customer's Service Classification, is subject to the additional requirements set forth in the above referenced tariff. Meter upgrades, subject to the availability of equipment, shall be installed and operated by the Company at the Eligible Customer's expense.

(c) The Company shall continue to own, install, maintain, and read Eligible Customers' meters used for billing purposes, with the exception of large commercial and industrial time-of-use customers who have the option of owning a Commission-approved meter as set forth in P.S.C. No. 119, with the Company retaining sole control of that meter.

Eligible large commercial and industrial time-of-use customers, or their designees, shall be allowed to receive meter data on a real-time or other basis, without incurring a fee, provided that such customers install and maintain, at their own expense, the necessary ancillary equipment required to receive such data. Such access may require the installation by the Company of a different type of meter/recorder that shall allow multiple access, with the cost responsibility of such meter/recorder and installation to be borne by the customer and with the Company retaining sole control of the meter and responsibility for the installation and maintenance of the meter and compliance with applicable Commission regulations.
16. General Retail Access: (Cont’d.)

D. Eligible Customer Participation: (Cont’d.)

7. Metering: (Cont’d)

(c) (Cont’d.)

A schedule of meter upgrade charges shall be provided by the Company upon the request of the customer or its authorized designee. The Company maintains a schedule of meter upgrade charges that covers standard metering options, and such schedule is available upon request.

(d) The Company shall perform meter readings in accordance with established reading cycles and current practices, and provide relevant meter reading information to the ESCO. Information provided to an ESCO may be used solely by the ESCO for the purpose of billing the customer.

(e) Customers and ESCOs should be aware of meter ownership, and Competitive Metering options, as can be found in this tariff at Rule 14 and the Company’s Tariff Schedule P.S.C. No. 119, Competitive Meter Addendum.

8. Reserved for Future Use

9. Reserved for Future Use

10. Reserved for Future Use

11. Reserved for Future Use
16. General Retail Access: (Cont’d.)

D. Eligible Customer Participation: (Cont’d.)

12. Billing

(a) Except as specified in Rule J. of this Schedule, Consolidated Billing and Payment Processing, the Company will bill a Customer only for the delivery of Electric Power Supply and other services provided by the Company. The ESCO is responsible for billing its Customer for the Electric Power Supply and other services the ESCO provides to the Customer.

(b) The Company bill will be issued to a Customer in accordance with established billing cycles and practices applicable to such Customer.

(c) A DC or the ESCO acting as an agent for Customers, is responsible for: (i) obtaining and scheduling Electric Power Supply with the NYISO, and (ii) complying with the provisions herein relating to Scheduling, Balancing and Settlement as specified in Rule 16.E.9 of this Schedule, with respect to its or an Customer’s Electric Power Supply requirements.

13. Reserved for Future Use
16. General Retail Access: (Cont’d.)

D. Eligible Customer Participation: (Cont’d.)

13. Reserved for Future Use (Cont’d.)
16. General Retail Access: (Cont’d.)

D. Eligible Customer Participation: (Cont’d.)

14. Customer’s Agent:
   (a) Participation by an Customer in the General Retail Access Program shall be deemed an election by such customer for the ESCO selected by the Customer, to act as such customer's agent and attorney-in-fact for all matters relating to acquisition of Electric Power Supply, power scheduling, and transmission service (including, but not limited to, designation by such customer's ESCO or another ESCO to take responsibility for Scheduling, Balancing and Settlement), and Customers shall be bound by any determinations, decisions, understandings or agreements reached by such ESCO with respect to Scheduling, Balancing and Settlement.

15. Provider of Last Resort ("POLR"):
   (a) The Company will be the POLR for those customers: (i) for whom competition is not a viable option, (ii) who choose not to participate in retail access, (iii) who terminate their agreements with an ESCO and fail to designate a substitute ESCO, (iv) who are acting as a DC, or (v) who are impacted by an ESCO’s discontinuance of service.
   (b) As a POLR, the Company will:
      i. Accept customers, subject to Commission consumer protection rules, and provide related customer services;
      ii. Obtain and deliver Electric Power Supply for such customers, consistent with the then-current NYISO Tariffs and retail tariffs; and
      iii. Provide for any programs, as approved by the Commission to assist low-income customers.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
16. General Retail Access: (Cont’d.)

E. ESCO/DC Participation:

1. Eligibility Criteria:

   (a) To be eligible to participate in General Retail Access, an ESCO/DC must meet the requirements specified in the UBP Addendum.
GENERAL INFORMATION

16. General Retail Access: (Cont’d.)

E. ESCO/DC Participation: (Cont’d.)

2. ESCO or DC Requirements:

(a) ESCOs and DCs must sign and deliver to the Company an Operating Agreement.
GENERAL INFORMATION

16. General Retail Access: (Cont’d.)

E. ESCO/DC Participation: (Cont’d.)

2. ESCO or DC Requirements: (Cont’d.)

(b) ESCOs and DCs are responsible for meeting the scheduling requirements of the NYISO as specified in the NYISO Transmission Tariffs and any applicable NYISO operating manuals. Electric Power Supply is defined as the electricity required to meet the Customer’s needs, including energy, Energy Losses, Unaccounted for Energy, Capacity, Capacity Losses, Capacity Reserves, ancillary services, NTAC, transmission project costs allocated to the Company under the NYISO tariff as approved by FERC, and Supply Adjustment Charge. It is the responsibility of the ESCOs/DCs to schedule enough Electric Power Supply to account for Energy Losses, Unaccounted For Energy (“UFE”), and UCAP Losses associated with their load on the Company’s distribution system. The Loss and UFE factors are as set forth below.

<table>
<thead>
<tr>
<th>Voltage Level</th>
<th>Service Classification</th>
<th>Energy Loss Factor</th>
<th>Capacity Loss Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transmission</td>
<td>7-4</td>
<td>1.0000</td>
<td>1.0000</td>
</tr>
<tr>
<td>Subtransmission</td>
<td>3S, 7-3</td>
<td>1.0150</td>
<td>1.0200</td>
</tr>
<tr>
<td>Primary</td>
<td>3P, 7-2</td>
<td>1.0377</td>
<td>1.0480</td>
</tr>
<tr>
<td>Secondary</td>
<td>1, 2, 6, 7-1, 8, 9, 12, Outdoor/Street Lighting</td>
<td>1.0728</td>
<td>1.0738</td>
</tr>
</tbody>
</table>

In the event there is a material change or an anticipated substantial increase in the Electric Power Supply requirement of a Customer or Customers, ESCO or DC shall notify the Company of such change prior to such change or increase according to the details set forth in the Supplier Manual, and shall cooperate with the Company, as reasonably required by the Company, to accommodate such change or increase.
GENERAL INFORMATION

16. General Retail Access: (Cont’d.)

E. ESCO or DC Participation: (Cont’d.)

2. ESCO or DC Requirements: (Cont’d.)

(c) ESCOs must provide Home Energy Fair Practices Act (HEFPA) protections to residential customers, in compliance with the Commission's Order Relating to Implementation of Chapter 686 of the Laws of 2003 and Pro-Ration of Consolidated Bills, Case Nos. 99-M-0631 and 03-M-0017, issued June 20, 2003, together with the rules and regulations implementing the same, as may be revised, modified, amended, clarified, supplemented or superseded. Further information is available at the New York Public Service Commission’s website (http://www.dps.ny.gov/hefpa.htm).

3. Reserved for Future Use

4. Reserved for Future Use

5. Reserved for Future Use

6. Reserved for Future Use

7. Reserved for Future Use

8. Reserved for Future Use

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
GENERAL INFORMATION

16. General Retail Access: (Cont’d.)

E. ESCO or DC Participation: See UBP Addendum


ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
16. General Retail Access: (Cont’d.)
   E. ESCO or DC Participation: (Cont’d.)

   RESERVED FOR FUTURE USE
16. General Retail Access: (Cont’d.)

E. ESCO or DC Participation: (Cont’d.)

RESERVED FOR FUTURE USE
16. General Retail Access: (Cont’d.)

E. ESCO or DC Participation: (Cont’d.)

RESERVED FOR FUTURE USE
GENERAL INFORMATION

16. General Retail Access: (Cont’d.)

E. ESCO or DC Participation: (Cont’d.)

RESERVED FOR FUTURE USE
16. General Retail Access: (Cont’d.)

E. ESCO or DC Participation: (Cont’d.)

RESERVED FOR FUTURE USE
GENERAL INFORMATION

16. General Retail Access: (Cont’d.)

E. ESCO or DC Participation: (Cont’d.)

RESERVED FOR FUTURE USE
GENERAL INFORMATION

16. General Retail Access: (Cont’d.)

E. ESCO or DC Participation: (Cont’d.)

RESERVED FOR FUTURE USE
GENERAL INFORMATION

16. General Retail Access: (Cont'd.)

E. ESCO or DC Participation: (Cont'd.)

RESERVED FOR FUTURE USE
GENERAL INFORMATION

16. General Retail Access: (Cont'd.)

E. ESCO or DC Participation: (Cont'd.)

RESERVED FOR FUTURE USE
GENERAL INFORMATION

16. General Retail Access: (Cont'd.)

   E. ESCO or DC Participation: (Cont'd.)

       RESERVED FOR FUTURE USE
GENERAL INFORMATION

16. General Retail Access: (Cont'd.)

   E. ESCO or DC Participation: (Cont'd.)

       Reserved for Future Use
16. General Retail Access: (Cont'd.)

E. ESCO or DC Participation: (Cont'd.)

Reserved for Future Use
16. General Retail Access: (Cont'd.)

E. ESCO or DC Participation: (Cont'd.)

Reserved for Future Use
16. General Retail Access: (Cont’d.)

E. ESCO or DC Participation: (Cont’d.)

9. Scheduling, Balancing and Settlement:

(a) The following applies to scheduling, balancing and settlement with the NYISO:

i. ESCOs/DCs shall schedule Electric Power Supply directly with the NYISO.

ii. The Company shall calculate customer load including the Company System Losses and UFE, by hour, and combine accounts by ESCO/DC and by subzone.

iii. The Company shall adjust the sum of all ESCO/DC load so that the hourly usage equals the NYISO-supplied subzone loads.

iv. The Company shall communicate the hourly load calculations to the NYISO, in accordance with the NYISO's Billing Schedule requirements for true-ups.

v. The NYISO shall balance those hourly load calculations with the ESCO/DC bulk power deliveries, price the imbalance, and invoice or credit the ESCO/DC for the cost of the imbalance.

(b) When calculating wholesale hourly electric load allocations per ESCO/DC for reporting to the NYISO, the Company shall not allocate any portion of the subzonal UFE to Hourly Pricing customer load. The load assigned to ESCO/DCs for Hourly Pricing customers shall be the Hourly Pricing customer’s metered hourly load plus the tariff voltage level / service class energy loss factor for that customer. All subzonal UFE shall be allocated to ESCO/DCs based on each ESCO/DC’s share of non-Hourly Pricing load in a given hour.

F. Reserved for Future Use

G. Reserved for Future Use

H. Reserved for Future Use
GENERAL INFORMATION

16. General Retail Access: (Cont'd.)

   See UBP Addendum
GENERAL INFORMATION

16. General Retail Access: (Cont'd.)

RESERVED FOR FUTURE USE
GENERAL INFORMATION

16. General Retail Access: (Cont'd.)

RESERVED FOR FUTURE USE
GENERAL INFORMATION

16. General Retail Access: (Cont'd.)

RESERVED FOR FUTURE USE
GENERAL INFORMATION

16. General Retail Access: (Cont'd.)

RESERVED FOR FUTURE USE
GENERAL INFORMATION

16. General Retail Access: (Cont'd.)

RESERVED FOR FUTURE USE
16. General Retail Access: (Cont'd.)

RESERVED FOR FUTURE USE
GENERAL INFORMATION

16. General Retail Access: (Cont'd.)

RESERVED FOR FUTURE USE
GENERAL INFORMATION

16. General Retail Access: (Cont’d.)

RESERVED FOR FUTURE USE
GENERAL INFORMATION

16. General Retail Access: (Cont'd.)

RESERVED FOR FUTURE USE
16. General Retail Access: (Cont'd.)

I. Indemnity and Limitation on Liability:

1. Indemnification:

ESCO and DC, as applicable, agree to indemnify, defend and save harmless the Company from and against any and all liabilities, losses, damages, costs, expenses, causes of action, suits, judgments and claims, including, but not limited to, reasonable attorneys fees and the costs of investigation, (collectively "claims"), in connection with any action, suit or proceeding by or on behalf of any person, firm, corporation or other entity arising from, caused by or relating to the (i) curtailment or interruption of services to the ESCO or its Customers, or a DC, as applicable, due to causes beyond the control of the Company (including, without limiting the generality of the foregoing, executive or administrative rules or orders issued from time to time by State or Federal officers, commissions, boards or bodies having jurisdiction) or (ii) interruption, irregularity, failure or defective character of services to the ESCO, its Customers, or a DC, as applicable, due to causes beyond the control of the Company (including, without limiting the generality of the foregoing, executive or administrative rules or orders issued from time to time by State or Federal officers, commissions, boards or bodies having jurisdiction) or (iii) failure by ESCO or DC, as applicable, to perform any of the agreements, terms, covenants or conditions of the General Retail Access Program to be performed by ESCO or DC, as applicable, or (iv) failure of ESCO to perform any agreement between ESCO and its Customers.

2. Limitation on Liability:

The Company shall endeavor at all times to provide regular and uninterrupted service to the ESCO, its Customers, or a DC, as applicable, but in case the service shall be interrupted or irregular or defective or shall fail, from causes beyond the control of the Company (including, without limiting the generality of the foregoing, executive or administrative rules or orders issued from time to time by State or Federal officers, commissions, boards, or bodies having jurisdiction) or because of the ordinary negligence of the Company or its employees, contractors, subcontractors, servants or agents, the Company shall not be liable to the ESCO, its Customers, or a DC, as applicable, therefor.

Compliance with directives of the NYISO shall, without limitation by reason of specification, constitute a circumstance beyond the control of the Company for which the Company shall not be liable; provided, however, that the Company shall not be absolved from any liability to which it may otherwise be subject for gross negligence or intentional wrong doing in the manner in which it carries out the NYISO instructions.
GENERAL INFORMATION

16. General Retail Access: (Cont'd.)

I. Indemnity and Limitation on Liability: (Cont'd.)

2. Limitation on Liability: (Cont'd.)

Without limiting the generality of the foregoing, the Company may, without liability therefor, interrupt, reduce or impair service to any ESCO, its Customers, or the DC, in the event of an emergency threatening the integrity of the Company's system, or any other systems with which it is directly or indirectly interconnected, if in the Company's sole judgment or that of the NYISO, such action shall prevent, alleviate or reduce the emergency condition, for such period of time as the Company or the NYISO deems necessary.

ESCOs serving Customers who require service which is uninterrupted, unreduced or unimpaired on a continuous basis should ensure that the Customers provide their own emergency or back-up capability the Company shall not be liable for any special, incidental, indirect, exemplary, punitive or consequential damages, including, but not limited to, lost profits, purchased power costs, or amounts owed by a DC or an customer to its ESCO, suffered by an ESCO, its Eligible Customers, or a DC or to any other persons or entities caused by, arising from or related to the performance of or failure to perform any of the services or obligations of the Company under the General Retail Access Program as set forth in the Company's tariff or the Electric Supplier Manual, even if the Company has been advised of the possibility of such damages.
GENERAL INFORMATION

16. General Retail Access: (Cont’d.)

J. Consolidated Billing and Payment Processing

1. Description:

A Customer may elect Consolidated Billing and Payment Processing, consistent with the Commission's Order Establishing Uniform Retail Access Billing and Payment Processing Practices, Case 99-M-0631, issued May 18, 2001, as the same may be revised, modified, amended, clarified, supplemented or superseded. Further information is available at the New York Public Service Commission's website (http://www.dps.ny.gov/ubr.htm)

Company specific terms and conditions regarding Consolidated Billing and Payment Processing are detailed in the Billing Services Agreement and Supplier Manual.

2. Customer Eligibility:

Once EDIC for Consolidated Billing and Payment Processing is operational, Customers taking service under this Schedule, Service Classification Nos. 1, 2, 3, 5, 6, 7, 8, 9, or 12; or P.S.C. No. 121 - Electricity, may elect a Consolidated Billing and Payment Processing option, consistent with the above-referenced PSC Order.

3. Bill Issuance Charge:

A Customer electing Consolidated Billing and Payment Processing pursuant to this Section shall not be billed the monthly Bill Issuance Charge for the electric service for which Consolidated Billing and Payment Processing has been elected. All other customers receiving electric, gas, or combination service shall be billed one Bill Issuance Charge per bill.

4. Bill Processing Charges:

ESCOs shall be assessed a bill processing charge of $0.81 per bill for a Company rendered consolidated bill for those customers with electric-only or gas-only service. ESCOs shall be assessed a bill processing charge of $0.41 for electric service and $0.40 for gas service for a Company rendered consolidated bill for those customers with a combination of electric and gas service.

5. Purchase of ESCO Accounts Receivable Program (POR):

(a) ESCOs that elect the Company’s consolidated billing option for all or a portion of their customers shall be required to sell their accounts receivable for such customers to the Company under the terms of the POR. ESCOs continue to have the right to issue their own bill using dual billing for all or a portion of their customers. Such ESCOs shall be precluded from participating in the POR for customers receiving dual billing.

(b) The POR obviates the need for the Company to prorate partial customer payments among ESCOs that are participating in the POR.
16. General Retail Access: (Cont'd.)
   J. Consolidated Billing and Payment Processing (Cont’d)

   6. Account Separation Fee

   In accordance with Section 9.C.4 of the UBP addendum to this schedule, an ESCO desiring to issue the Consolidated Bill for a customer with a Combination Account may request the Company to establish a separate account for the electric or gas service to be supplied by the ESCO. A fee of $18.00 shall be charged to the ESCO requesting establishment of a separate electric or gas account.

   K. Purchase of ESCO Accounts Receivable Program (POR):


   Eligibility Requirements:

   ESCOs that elect the Company’s consolidated billing option for all or a portion of their customers shall be required to sell their accounts receivable for such customers to the Company under the terms of the POR. ESCOs continue to have the right to issue their own bill using dual billing for all or a portion of their customers. Such ESCOs shall be precluded from participating in the POR for customers receiving dual billing.

   Purchase Price:

   Electric accounts receivable shall be purchased at a discount off face value of the ESCO receivable. The discount rate shall be sufficient to compensate the Company for its financial risk in purchasing electric receivables, and be comprised of the following components:
   a) Commodity-related Uncollectible percentage based on total Company uncollectible costs for the most recent available 12-month period divided by the sum of the total retail, retail access, and purchased ESCO receivables revenue for the same 12-month period.
   b) Financial Risk Adder set at 20% of the applicable uncollectible percentage;
   c) Commodity-related credit and collections and call center percentage.

   Discount rates shall be adjusted each year to reflect the Company’s most recent 12-month experience for uncollectible expense. Additionally, the credit and collections and call center allocation included in the discount rate shall be reconciled annually, with any under- or over-collections included in the following year’s discount rate.

   Beginning with the statement to be effective May 1, 2017, a POR Discount (DISC) Statement setting forth the electric discount and the gas discount shall be filed with the Public Service Commission 60 days prior to the May 1, effective date of each annual update.
16. General Retail Access: (Cont'd.)

K. Purchase of ESCO Accounts Receivable Program (POR): (Cont’d.)

Payments:

As specified in Appendix B of the POR JP, payments to ESCOs shall be made, via ACH (Automated Clearing House), 20 days after acceptance of the EDI 810 transaction.

Other Considerations:

The POR shall be subject to modifications based upon Commission orders, rules, and regulations applicable to retail access, including, but not limited to, the Uniform Business Practices, proration of customer payments under a single bill, and provisions of Home Energy Fair Practices Act. The POR obviates the need for the Company to prorate partial customer payments among ESCOs that are participating in the POR.

L. Community Choice Aggregation (“CCA”) Program

1. A CCA Program allows municipalities (villages, towns and cities) to aggregate the usage of eligible CCA customers (residential and small non-residential customers) within a defined jurisdiction in order to secure an alternative energy supply contract on a community-wide basis.

   i. In accordance with the Orders issued April 21, 2016 and December 14, 2017, in Case 14-M-0224, designee (CCA Administrator or ESCO) :

      (a) must sign a Data Security Agreement acceptable to the Company, and
      (b) must have an approved implementation and data protection plan and certification of local authorization approved by the NYS PSC.

   ii. Upon fulfilling the requirements in Rule 1, the Company will provide the following information to the municipality or their designee in accordance with the terms and fee(s) stated herein.

      (a) Aggregated customer data, including the number of customers by service class, the aggregated peak demand (kW) by month for the past 12 months by service class if applicable, and the aggregated energy (kWh) by month for the past 12 months by service class. This information will be provided to the municipality or CCA Administrator within twenty days of a request. The Company will notify the requesting party if data for any service class that the Company contains so few customers, or in which one customer makes up a large portion of the load, such that the aggregated information does not pass the relevant aggregation privacy standard. The Company will work with the requestor to revise the request in order to address the identified reason(s) such as expanding the geographic area included in the request or combining customer classes or other means.

      The charge for the above aggregated data in (a) is included in the CCA Statement.
16. General Retail Access: (Cont’d.)

L. Community Choice Aggregation (“CCA”) Program (Cont’d)
   ii. (Cont’d)

(b) After each municipality has entered into a CCA contract with an ESCO, the Company shall transfer customer-specific data to the municipality or CCA Administrator within five days of receipt of a request to support the mailing of opt-out notices. The data shall include all customers in the municipality eligible for opt-out treatment based on the CCA and the requirements of the April 21, 2016 Order issued in Case 14-M-0224. The data should include:
   1) Customer of record’s name
   2) Mailing Address
   3) Primary Language (if available from the Company’s billing system)
   4) Any customer-specific alternate billing name and address

(c) After the opt-out process has been completed, the Company shall transfer account numbers for eligible customers that did not opt-out to the ESCO providing service within five days of receipt of a list of customers that opted out. These account numbers may be transmitted via electronic mail in secured, encrypted spreadsheets, through access to a secure website, or through other secure methods of transfer.

The charge for the above data described in (b) and (c) is included in the CCA Statement.

(d) Upon request by the municipality or CCA Administrator the Company will transfer the customer data in (b) to the requestor within five days of the request for CCA eligible customers that became customers of the Company since the last eligible customer list was provided and were not on a previous eligible for out-out list. After the opt-out process has been completed for those customers, the Company will provide account numbers for customers that did not opt-out as described in (c). These eligible customer update lists will be provided without charge.

17. Uniform Business Practices – Distributed Energy Resources Providers:
The rules applicable to DER Suppliers are contained in the Addendum, UBP-DERS, attached to this Schedule, which are incorporated herein.

The UBP-DERS contains provisions applicable to all DER Suppliers as well as provisions applicable only to Community DG providers (pursuant to Rule 37) and on-site mass market DG providers.
18. **High Load Factor Manufacturer Power ("HLFM")**

Before service will commence under this Special Provision the Corporation and the New York Power Authority ("NYPA") must execute an agreement governing additional terms of HLFM service. Subject to the execution of that agreement by the Corporation with NYPA related to the provision of HLFM service, NYSEG will deliver NYPA HLFM power for customer loads not previously served by NYSEG, at the rates set forth in Special Provision (d) - Economic Incentives, Sub-Section No. 9 - High Load Factor Manufacturer Power within Service Classification No. 7.

HLFM service for all other customers who receive HLFM allocations shall be provided pursuant to the General Retail Access provision as set forth in Section 16 in the General Information section of this Schedule.

The rates and conditions provided in this provision are subject to review by, acceptance by, or approval of, the Federal Energy Regulatory Commission to the extent of the Federal Energy Regulatory Commission's jurisdiction.

The portion of the customer's demand and energy needs met by the delivered HLFM power will be billed in accordance with Special Provision (d)(8), - High Load Factor Manufacturer Power, within Service Classification No. 7. The customer's power requirements in excess of the HLFM power will be billed at the Service Classification No. 7 rates applicable to the customer's voltage level.
19. Incremental Load Incentive (ILI)

**PURPOSE:**
This service is designed to encourage business customers to locate or expand their facilities in the Company’s service territory.

**ELIGIBILITY CRITERIA:**

1) The ILI Program is available to prospective or existing non-residential and non-public authority customers with SIC codes 01-14 (Agriculture, Forestry, Fishing, and Mining), 20-39 (Manufacturing), 50 (Wholesale trade – durable goods), 51 (Wholesale trade – non-durable goods), 60-67 (Finance, Insurance, and Real Estate) or 73 (Business Services) and who qualifies for service under and in accordance with the provisions of Service Classification Nos. 2, 3, or 7.

2) A Prospective Customer is defined as an applicant
   a) whose activities are largely or entirely different in nature from those of the previous customer; or
   b) whose activities are the same as those of a previous customer but who is a different owner of the business; or
   c) that will conduct business at a premise where business has not been conducted for at least six months prior to the application for ILI benefits; or
   d) that has obtained a business in a bankruptcy liquidation sale from the previous customer.

3) Existing Customer - Any current customer will be deemed an eligible Existing Customer, entitled to receive an ILI incentive on increased usage in the qualified block(s) above a historic monthly base load of usage established before the addition of qualifying equipment and that:
   a) satisfies the usage thresholds for additional qualifying equipment set forth below; and
   b) does not satisfy the definition of a Prospective Customer above.

4) The eligible Prospective Customer or Existing Customer must add new or additional load of at least 25 kilowatts by constructing a new facility, expanding an existing facility, or redeveloping an existing facility that has been vacant for at least six months.

**TERM:**

Effective January 1, 2014, the ILI program will terminate. Such termination will not affect customers who initiate ILI service by December 31, 2013. These customers will continue ILI service until the completion of their five-year term.
GENERAL INFORMATION

19. Incremental Load Incentive (ILI) (Cont’d)

SUPPLY SERVICE OPTIONS

ILI customers may select one of the following electricity supply pricing options: (1) ESCO Supply Service (ESS), (2) NYSEG Supply Service (NSS), or (3) Hourly Pricing as further described in the otherwise applicable service classification.

TRANSITION CHARGE

All ILI customers are exempt from paying the Transition Charge.

The qualified ILI customer must choose the same Supply Service Option for its incentive load, non-incentive load, and all future ILI load at the facility.

BILLING

The Company shall calculate bills for service supplied under the ILI in accordance with the applicable Special Provision under Service Classification Nos. 2, 3, and 7.

A qualified customer shall pay a monthly service bill at the rates and charges under this rider for all kW or kWh in excess of a base amount of kW or kWh established for each monthly billing period. For an Existing Customer, the base amount shall be based on a one-year historical period, actual or estimate, as determined by the Company prior to qualification for the incentive. For a Prospective Customer, the base amount of kW or kWh shall be zero.

INCREASE IN RATES AND CHARGES

The rates and charges under this rider, including any adjustments, are increased by the applicable effective aggregate percentage shown in Rule 6 for service supplied the municipality where the customer is taking service.

The rates and charges under this rider, which reflect the Company’s incremental cost of providing service, shall be subject to periodic review and revision, subject to Public Service Commission approval. If it is determined that the bill calculated under this rider exceeds the bill calculated under the otherwise applicable standard Service Classification rates, the customer shall pay the lower of the two bills.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
20. Emergency Demand Response Program ("EDRP")

PURPOSE:

In response to the Commission Orders of December 20, 2000, and April 18, 2001, in Case No. 00-E-2054 as the same may be revised, modified, amended, clarified, supplemented or superseded, the Company seeks to provide customers with an economic incentive to respond to Emergency Operating Conditions as identified by the New York Independent System Operator ("NYISO"). EDRP can provide the NYISO, through the Company, with the ability to request voluntary load curtailment or replacement by participating customers for electric usage.

APPLICABLE TO THE USE OF SERVICE FOR:

Commercial, Industrial and Public Authority customers. Applicability is limited to customers who agree voluntarily, and have the capability to, curtail and/or replace at a single meter at least 100 kW per hour of electric usage. Customers may be simultaneously eligible for more than one load curtailment program.

TERM:

The customer shall complete NYSEG's "C.A.S.H.BACK Program Customer Registration Form" and execute a one-year "Participation Agreement." The Company will process any application within no more than seven calendar days, subject to any processing time required by the NYISO, and will notify customers as to when their load may first be offered to the NYISO. Any customer under contract to participate in this Emergency Demand response Program may not participate in EDRP through another Curtailment Service Provider ("CSP") including as a Direct Customer or end use customer of the NYISO.

CUSTOMER BASELINE LOAD ("CBL")

The CBL will provide a reference to verify customer compliance with a scheduled curtailment. The CBL is determined in accordance with the NYISO EDRP Manual, Calculation of Customer Baseline. Load curtailments will be measured based on this CBL methodology.

ADDITIONAL METERING:

The customer shall have installed the necessary equipment, including interval metering at each participating meter location. Such metering will be installed, controlled, operated and maintained by the Company at the customer's expense. Regardless of which CSP the customer may choose, the Company may require installation of additional communication equipment, software and a monthly subscription service needed for the determination of CBL and for the administration of this and any other curtailment program. A customer that participates in the EDRP will be responsible for only those metering costs not covered by discounts provided by NYSERDA, or any other non-NYSEG source. Qualified participating customers receiving metering from competitive metering providers may participate in the EDRP using metering equipment and communications capabilities that the Company has determined can provide the necessary hourly interval usage data.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
20. Emergency Demand Response Program ("EDRP"): (Cont'd.)

ADDITIONAL METERING: (Cont'd.)

Qualified/eligible on-site generators used to replace load may require additional metering as determined by the NYISO to confirm curtailment and to demonstrate that emergency generating equipment was in effect for the entire EDRP event.

ADDITIONAL NYISO REQUIREMENTS:

In addition to these program requirements, the customer shall meet any additional requirements as specified in the NYISO Emergency Demand Response Program Manual.

BILL CREDIT:

1. The customer will be subject to all rates and charges and other terms/conditions of the customer's otherwise applicable service classification.

2. The customer will receive a bill credit for verified load curtailment or replacement under this program during any NYISO requested EDRP curtailment event equal to at least 90% of the NYISO payment to the Company, in accordance with the NYISO EDRP Manual, for the customer's participation in each NYISO curtailment event.

EDRP EVENT:

All EDRP curtailment events will be determined solely by the NYISO and communicated to the customer through the Company. The Company will provide as much advance notice as possible subject to a minimum of 2 hours notice provided to the Company by the NYISO. The NYISO may implement the EDRP in accordance with the NYISO EDRP Manual for the following conditions:

(a) As part of the In-day Peak Hour Forecast response to an "Operating Reserve Peak Forecast Shortage;"
(b) in conjunction with Special Case Resources;
(c) to support the New York power system during emergency periods; or
(d) at the NYISO's discretion to relieve system or zonal emergencies.

There are no penalties for non-compliance associated with this EDRP.

OTHER TERMS AND CONDITIONS:

Applicable payment to a customer simultaneously participating in both the EDRP and any other curtailment program(s) will be the highest payment under any of those programs, except where explicitly prohibited elsewhere in the tariff or contract.
21. C.A.$.H.BACK Program:

PURPOSE:

In response to the Commission Order of March 20, 2001, in Case 00-E-2054, and the New York Independent System Operator's (NYISO) Day-Ahead Demand Response Program Manual, both of which may be revised, modified, amended, clarified, supplemented or superseded, the Company will provide a voluntary program, for load normally supplied and delivered by NYSEG, for eligible customers to curtail load. NYSEG's program, entitled C.A.$.H.BACK, implements the NYISO's day-ahead economic load-curtailment program. Under this program, a customer agrees to curtail load when their bid is submitted and accepted by the NYISO. The Company, at its discretion, will aggregate customer load reduction bids in whole 1 MW blocks, and submit them to the NYISO for consideration in the Day-Ahead market. The NYISO will determine if the submitted bids will reduce the total bid production costs and inform NYSEG of accepted bids. NYSEG will inform each customer if their bid is accepted and the applicable time period(s).

APPLICABLE TO THE USE OF SERVICE FOR:

For load normally supplied and delivered by NYSEG, this service applies to Commercial, Industrial and Public Authority customers taking service under S.C. 2, 3, 7, 13, or 14. This service is limited to customers who voluntarily agree to curtail and/or displace load at a single NYSEG service meter, amounting to at least 100 kW per hour of electric usage.

TERM:

The customer shall complete NYSEG's "C.A.$.H.BACK Program Customer Registration Form" and execute a "Participation Agreement." Any customer under contract to participate in this Day-Ahead Demand Response Program may not participate through another Demand Reduction Provider, including as a direct-customer or end-user of the NYISO.

CUSTOMER BASELINE LOAD ("CBL"):

The CBL will provide a reference to verify customer compliance with a scheduled curtailment. The CBL is determined in accordance with the NYISO Day-Ahead Demand Response Program Manual, Calculating Customer Baseline Load for DADRP. Load curtailments will be measured based on this CBL methodology.

BIDS:

A participating customer shall provide the Company with hourly demand reduction bids for a specific curtailment (minimum of 100 kW per hour of electric usage) and a bid price above which the load would not be consumed. Each bid of kW and price(s) must be received by the Company in accordance with the Participation Agreement and in time for NYSEG to meet NYISO Day-Ahead Economic Load Curtailment Program requirements.
21. C.A.S.H.BACK Program: (Cont'd.)

ADDITIONAL METERING:

The customer shall have installed the necessary equipment, including interval metering at each participating meter location. A participating customer with a generator also will require a separate interval meter to verify curtailment is not supplied by that generator. Such metering will be installed, controlled, operated and maintained by the Company at the customer's expense. Participating customers will be responsible for only those metering costs not covered by discounts provided by NYSERDA, or any other non-NYSEG source. Regardless of which Demand Reduction Provider the customer may choose, the Company may require installation of additional communication equipment, and an internet based software subscription service necessary for the determination of CBL and for the administration of this and any other curtailment program (e.g., Emergency Demand Response Program). This subscription service will also provide the customer with the ability to review and monitor their energy consumption patterns on a daily basis. The customer is responsible for making adequate arrangements with their telecommunications provider for communication equipment. NYSEG's monthly charge for the software subscription service is $40 per month. Customers receiving metering from competitive metering providers may participate in this program using metering equipment and communications capabilities that the Company has determined can provide the necessary hourly interval usage data.

DETERMINING AMOUNT OF LOAD REDUCTION:

The amount of actual Real-Time curtailment will be equal to the CBL less the actual Real-Time consumption during the specified curtailment period, as verified by the NYISO.

PAYMENT SHARING & PENALTIES:

The customer will receive a bill credit for an accepted bid under this program equal to at least 90% of the NYISO Demand Reduction payment for the customer's accepted and scheduled curtailment. More specifically, NYSEG will pay the customer 90% of the demand reduction payment which is based on scheduled curtailment, and then charge the customer for any imbalance charge/penalty. The NYISO Day-Ahead Demand Reduction Program Manual specifies a non-performance penalty of 110%. Any charges or penalties assessed by the NYISO to NYSEG for a customer's failure to curtail load will be fully passed through to the customer.

OTHER TERMS AND CONDITIONS:

This program will be periodically evaluated for potential modifications and improvements. Modifications will be filed and approved by the PSC prior to the next capability period.

Customers taking service under NYSEG's interruptible special provision are only eligible for payments for verified curtailment of their contracted non-interruptible load.
22. Farm Waste Electric Generating System Option

A. Applicable To

1. Any customer, residential or non-residential, who owns or operates farm waste electric generating equipment ("Facility"), that generates electric energy from biogas produced by the anaerobic digestion of agricultural wastes with a rated capacity of not more than 2,000 kW, located and used at their "farm operation" as defined in Subdivision 11 of Section 301 of the Agriculture and Markets Law. Such definition states that a "farm operation" means the land and on-farm buildings, equipment, manure processing and handling facilities, and practices which contribute to the production, preparation and marketing of crops, livestock and livestock products as a commercial enterprise, including a "commercial horse boarding operation" as defined in subdivision thirteen of this Section 301 of the Agriculture and Markets Law. A customer may include energy storage equipment when submitting an application for net metering pursuant to this Section.

2. Any non-residential customer that owns or operates a Facility that is located and used at their premises. A customer may include energy storage equipment when submitting an application for net metering pursuant to this Section.

B. Operations

The Facility must be manufactured, installed and operated in accordance with applicable government and industry standards. Such Facility must be connected to the Company's electric system and operated in parallel with the Company's transmission and distribution facilities. The Facility must be fueled, at a minimum of 90% on an annual basis, by biogas produced from the anaerobic digestion of agricultural waste such as livestock manure materials, crop residues and food processing waste. The Facility must be fueled by biogas generated by anaerobic digestion with at least 50% by weight of its feedstock being livestock manure materials on an annual basis. The customer, at its expense, shall promptly provide to the Company all relevant, accurate and complete information, documents, and data, as may be reasonably requested by the Company, to enable the Company to determine whether the customer is in compliance with these requirements.

C. Eligible Capacity

The Farm Waste Electric Generating System Option shall be available to eligible customers, on a first come, first served basis, until the total rated generating capacity for solar, farm waste, MCHP and fuel cell electric generating equipment owned, leased or operated by customer-generators in the Company's service area shall not exceed 98.16 MW, the total rated generating capacity of interconnected projects served by the Company under PSL §66-j as of the close of business on March 9, 2017, including projects to be served by the Company under PSL §66-j for which either Step 8 (for projects greater than 50kW) or Step 4 (for projects 50kW or less) of the Standard Interconnection Requirements (SIR), as applicable, had been completed by the close of business on March 9, 2017. This MW limit shall automatically decrease as projects served under PSL §66-j are taken out of service, but shall not decrease below 28.26 MW, representing 1% of the Company's electric demand for the year 2005.

D. Term

1. The Company shall calculate credits in accordance with Section 22.G. for the life of the farm waste electric generating system for a customer that on or prior to March 9, 2017 has:
   a. completed Step 4 of the SIR Addendum for farm waste electric generating equipment less than 50 kW; or
   b. completed Step 8 of the SIR Addendum for farm waste electric generating equipment larger than 50 kW; or
   c. installed farm waste electric generating equipment on or prior to March 9, 2017.

A customer may opt to take service under Rule 40, Value of Distributed Energy Resources (VDER). Such election shall be a one-time election and shall be irrevocable.

2. A customer that installs farm waste generating equipment after March 9, 2017 shall refer to Rule 40, Value of Distributed Energy Resources (VDER), A. Phase One Net Energy Metering ("NEM") or B. Value Stack, as applicable.

E. Interconnection

Customers electing service under this provision must operate in compliance with standards and requirements set forth in the Distributed Generation Interconnection Requirements found in P.S.C. No. 119, Section 9 and Addendum-SIR to P.S.C. No. 119. In addition, customers must execute the New York State Standardized Contract For Interconnection of New Distributed Generation Units With Capacity of 5 MW or Less Connected in Parallel with Utility Distribution Systems ("SIR Contract"), as contained within Addendum-SIR of P.S.C. No. 119.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
22. Farm Waste Electric Generating System Option (Cont’d)

F. Metering
For a residential net metered customer and non-residential net metered customer with an installation on or prior to March 9, 2017, the Company shall install metering appropriate for the customer’s service classification that enables the Company to measure the electricity delivered to the customer and measure the electricity supplied by the customer to the Company. Where the Company determines that a second meter should be installed, no additional costs shall be billed to the customer. When a second meter is requested by the customer that is not required by the Company, the customer shall be responsible for the cost of the meter, the installation and any additional costs. For a net metered customer with an installation after March 9, 2017, the customer shall refer to Rule 40, Value of Distributed Energy Resources (VDER) for metering requirements.

G. Billing
For each billing period during the term of the SIR Contract, the Company shall net the electricity (kWh) delivered to the customer with the electricity (kWh) supplied by the customer to the Company.

1. Facility Located and Used for Farm Operations
   a. Non-Hourly Pricing
      i) If the electricity (kWh) supplied by the Company exceeds the electricity supplied by the customer to the Company during the billing period, the customer shall be billed for the net kWh supplied by the Company to the customer at the standard service class rates. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak or Day/Night, netting shall occur in each time period.
22. Farm Waste Electric Generating System Option (Cont’d.)

F. Billing (Cont’d)

1. Facility Located and Used at Farm Operations (cont’d)

a. Non-Hourly Pricing (Cont’d)

   ii. If the electricity (kWh) supplied by the customer to the Company during the billing period exceeds the electricity (kWh) supplied by the Company to the customer, a kWh credit shall be carried forward for the next billing period. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak or Day/Night, the kWh credit shall be carried forward as a credit to the appropriate time period.

   iii. For a demand-billed farm waste customer, prior to carrying forward any kWh credit, the kWhs shall be converted to a dollar value using the applicable tariff per kWh rate and applied as a credit to the current utility bill. If the dollar value of the kWh exceeds the current utility bill, any remaining dollars shall be converted back to kWhs and carried forward for the next billing period as a kWh credit.

For customers billed on TOU rates, if the electricity (kWh) supplied by the customer to the Company is not metered for each TOU period and until such time as metering is installed to measure electricity supplied to the Company in each TOU period, an allocation of the electricity supplied to the Company shall be done according to the allocation factors as set forth in a Special Provision provided in each service classification in this Schedule.

   b. Hourly Pricing

      i. For customers billed on Hourly Pricing, for each hour, the customer’s usage and its generation are netted within the hour.

      ii. Kilowatt-hour charges are calculated using the consumption in each hour in which the customer’s usage exceeds the customer’s generation multiplied by the applicable price.

      iii. The Company shall maintain two monetary values for the excess credits.

         (a) For each hour the electricity generated and supplied by the customer exceeds the customer’s usage, the kWh difference is multiplied by the avoided cost for energy for that hour. The result is the excess credit priced at avoided cost for that hour.

         (b) For each hour in which the electricity generated and supplied by the customer exceeds the customer’s usage, the kWh difference is summed together and then multiplied by the sum of the remaining per kWh charges (e.g., Energy Charge, Transition Charge, Merchant Function Charge, Ancillary & NTAC, transmission project costs allocated to the Company under the NYISO tariff as approved by FERC, SBC, and RDM).

         (c) The Company shall use excess credits from the prior month’s bill period and the current bill period to develop a ratio between the excess credit priced at avoided cost and the excess credit for remaining per kWh charges. The excess credits are applied to the current bill. Any remaining credits are multiplied by the ratio to determine the excess credit at avoided cost and the excess credit for remaining per kWh charges to carry forward to the next month.

Residential customers who own or operate a farm operation (as defined by Agriculture and Markets Law §301(11)), and locate farm waste electric generating equipment on property they own or lease, is eligible for remote net metering as set forth in Rule 22.1.2.

2. Non-Residential – Facility Located and Used at their Premises

   a. Non-Hourly Pricing

      i. If the electricity (kWh) supplied by the Company exceeds the electricity supplied by the customer to the Company during the billing period the customer shall be billed for the net kWh supplied by the Company to the customer at the standard service class rates. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak, netting shall occur in each time period.

      ii. If the electricity (kWh) supplied by the customer to the Company during the billing period exceeds the electricity (kWh) supplied by the Company to the customer, the Company shall provide a credit on the next bill for net electricity supplied at the Company’s avoided cost Service Classification 10 energy rate. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak, the kWh credit shall be a credit for the appropriate time period.
GENERAL INFORMATION

22. Farm Waste Electric Generating System Option (Cont'd.)

G. Billing (Cont'd)

2. Non-Residential – Facility Located and Used at their Premises (Cont’d)
   b. Hourly Pricing
      i. For customers billed on Hourly Pricing, for each hour, the customer’s usage and its generation are netted within the hour.
      ii. Kilowatt-hour charges are calculated using the consumption in each hour in which the customer’s usage exceeds the customer’s generation multiplied by the applicable charge.
      iii. For each hour the electricity generated and supplied by the customer exceeds the customer’s usage, the kWh difference is multiplied by the Company’s Service Classification No. 10 Buy-Back Service energy only rate.
      iv. The excess monetary credit from the current and/or prior bill period(s) is applied to the current utility bill. If the excess monetary credit exceeds the current utility bill, the monetary credit is carried forward to the next billing period.

H. Annual Cash-out
   a. Customers with “Existing” farm waste generating installations:
      If, (a) on an annual basis, during the term of the SIR Contract or (b) on the date the SIR Contract is terminated pursuant to the terms and conditions of said Contract, there exists a positive (kWh) balance for an accumulation of excess generation provided to the Company, then a cash payment shall be issued to the customer. For a Non-Hourly Pricing customer, the payment shall be for an amount equal to the product of the excess balance times the average avoided cost for energy over the most recent 12-month period. For an Hourly Pricing customer, the payment shall be for the remaining portion of the excess credit priced at avoided cost, after credits are applied to the current bill period. Any remaining non-avoided cost monetary credits are reset to zero.
      A customer shall be provided a one-time option to select an individual anniversary date for the annual cash-out of excess net metering credits. For a Non-Hourly pricing customer, the initial cash-out payment shall be equal to the product of excess balance multiplied by the average avoided cost for the energy over the number of months the customer has taken service under this provision. For an Hourly Pricing customer, the initial cash-out payment shall be for the remaining portion of the excess credit priced at avoided cost, after the credits are applied to the current bill period. Any remaining non-avoided cost monetary credits are reset to zero. Upon the Company’s determination that the customer has taken service under this Section 22 while in violation of the conditions of service set forth in General Information Section 22 of this Schedule, the customer shall forfeit any positive balance accrued during the annual period in which the violation occurred.
   b. Customers with farm waste generating installations:
      The value of any credit remaining on a customer’s account for excess electricity produced by the customer-generator shall continue to carry over to the next monthly billing period. At the end of the term as set forth in Section 22.D, any excess credits shall be forfeited.

I. Costs
In the event that the Company determines that it is necessary to install a dedicated transformer or transformers or other equipment to protect the safety and adequacy of electric service provided to other customers, the customer shall pay the Company's actual costs of purchasing and installing such transformer(s) or other equipment located and used at customer's "farm operation" or premises, in an amount not to exceed $5,000 per “farm operation” or premises.

In the event that the total rated generating capacity of electric generating equipment that provides electricity to the Company through the same local feeder line exceeds 20% of the rated capacity of the local feeder line, the customer owning or operating such equipment may be required to comply with additional measures to ensure the safety of the local feeder line.

J. Special Provision
   a. Remote Net Metering
      1. Definitions
         Host Account: The customer meter where farm waste generation is located and interconnected with the Company’s distribution system.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
GENERAL INFORMATION

22. Farm Waste Electric Generating System Option (Cont’d)

J Special Provisions (Cont’d)

a. Remote Net Metering (Cont’d)

1. Definitions (Cont’d)

Satellite Accounts: Additional meters designated by the Host Account with the same name on the account, for
the application of excess net metering credits.

Net-Metered Generation Facility: A generation facility eligible for net metering in conformance with PSL 66-j
or 66-l, limited in size consistent with those statutes, located behind the meter of a Host Account and attached to
a load served under one of the Company’s service classifications.

Excess Generation: the electricity (kWh) supplied by the customer to the Company during the billing period
exceeds the electricity (kWh) supplied by the Company to the customer. For customers billed on time-
differentiated rates (TOU meter), e.g., On-Peak/Off-Peak, the excess is calculated and maintained for each peak.

2. Customer Requirements and Eligibility

A customer participating in Farm Waste Electric Generating System Option may designate all or a portion of
the excess credit, after application to the Host Account, to Satellite Accounts at any property owned or leased by
such customer within the same load zone as determined by the Locational Based Market Price. This shall be
completed on a form when submitting their initial remote net metering application. A customer applying for
Remote Net Metering is subject to the same Term and Metering requirements set forth in Rules 22.D and 22.F.

A. Host Account(s)

A customer may designate more than one Host Account and shall provide an application for each Host
Account. The Host Accounts must be held by the same customer and have an identical billing name, on
property owned or leased by such customer. A Host Account cannot be a Satellite Account.

   a. Facility Located and Used at Farm Operation
      
      i. A demand billed customer that applies for Remote Net Metering as a Host Account shall receive
         monetary satellite credits calculated pursuant to Section 22.I.4.B. Application of Monetary Credits.
      
      ii. A non-demand billed customer with a Facility Located and Used at Farm Operations that applies
          for Remote Net Metering as a Host Account shall receive volumetric per kWh satellite credits
          calculated pursuant to Section 4.C. Application of Volumetric Credits, except for those projects
          that meet the Grandfathering Requirements:

         Grandfathering Requirements:

         Net metered projects, under Public Service Law §66-j, meeting the following criteria and
         conditions shall be allowed to retain monetary crediting pursuant to Section 22.I.4.B. Application
         of Monetary Credits, at qualifying remote net metered locations.

         1) By June 1, 2015:
            
            i. Projects that have been interconnected; or
            
            ii. Projects for which developers have submitted a completed interconnection
                application to the relevant utility; or
            
            iii. Projects that have completed applications for grants through Program Opportunity
                 Notices (PONs) 2112, 2439, 2589, 2860, and 2956 conducted by the New York
                 State Energy and Research Development Authority (NYSERDA) or the Request
                 for Proposals (RFP) process conducted by New York City for development of
                 renewable facilities at the Freshkills Landfill; or,
GENERAL INFORMATION

22. Farm Waste Electric Generating System Option (Cont’d)
   J. Special Provision (Cont’d)
      a. Remote net Metering (Cont’d)

2. Customer Requirements and Eligibility (cont’d)
   A. Host Account(s) (Cont’d)

   iv. Projects that have completed applications for grants in NYSERDA’s NY-Sun MW Block Program for projects sized at more than 200 kW; or
   v. Projects that a State, municipal, district, or local governmental entity has solicited through a Request for Proposals or a Request for Information issued in conformance with applicable law.

2) To retain the monetary crediting, a project must enter service by the date specified in the NYSERDA PONs in 1).iii or NY-Sun MW Block Program for projects sized at more than 200 kW, 1).iv, or another governmental entity process, as that date may be extended by the relevant governmental entity, or by December 31, 2017 if no date is specified by a governmental entity.

3) If a project is unable to meet the in-service date of December 31, 2017, and meets the following criteria and conditions, the project shall be allowed to retain monetary crediting:
   a) the customer has provided payment, prior to March 1, 2016, for a Coordinated Electric System Interconnection Review (CESIR) study;
   b) the customer has demonstrated that, upon receipt of the CESIR study results, the estimated construction schedule indicates a final authorization to interconnect on or after July 1, 2017;
   c) the customer has made payment, of the full or at least the first installment amount, for the estimated interconnection costs necessary to support the project, by January 31, 2017; and,
   d) the customer has, by November 30, 2017, submitted an affidavit from the engineer of record for the project, attesting that substantially all of the equipment on the end-use customer’s side of interconnection point has been physically constructed and that the only remaining requirements to interconnect the equipment depend upon the Company, such as Company construction and/or authorization to interconnect.

4) Monetary credits shall remain in effect for a term of 25 years from the later of: April 17, 2015 or the project in-service date.

b. Facility Located and Used at their Premises
   A non-residential customer that applies for Remote Net Metering as a Host Account shall receive monetary credits calculated at the Company’s Service Classification No. 10 Buy Back Service Energy only rate as described in 4.D Application of Credits at Avoided Cost.
GENERAL INFORMATION

22. Farm Waste Electric Generating System Option (Cont'd)
   J. Special Provision (Cont'd)
      a. Remote net Metering (Cont'd)
      B. Satellite Accounts
         a. Must be held by the same customer and have an identical billing name, on property owned or leased by such customer.
         b. The Company reserves the right to investigate/obtain proof that all designated accounts are held by the customer.
         c. A Satellite Account may have more than one Host Account. The name plate rating of the Net Metered Generation Facility(ies) designated as Host Accounts to be applied to a Satellite Account shall not exceed 2 MW in aggregate, including the name plate rating of a Net Metered Generation Facility located at the Satellite Account.
         d. A non-metered account may qualify as a Satellite Account if the Host Account is being compensated based on a monetary crediting methodology pursuant to Rule 40, Value of Distributed Energy Resources (“VDER”).

3. Enrollment and Change Period
   After the customer’s initial application, the enrollment and change period is from January 1 through January 31. Any changes shall be effective with the initial Host Account billing after March 1. Remote Net Metering customers may submit a change request form annually during the change period to designate additional Satellite Accounts or delete existing active Satellite Accounts. The customer may also change the portion (percentage) of excess to remain at the Host Account once per year.

4. Calculation and Application of Net Metering Credits
   A. If more than one Host Account is designated by the customer and there is excess generation from more than one Host Account, the Company shall apply credits from the Host Accounts to the Satellite Accounts in the following order:
      a. Grandfathered or Demand-billed Host Accounts participating in Farm Waste (Facility Located and Used for Farm Operations) or Farm Wind Electric Service Options;
      b. Grandfathered or Demand-billed Host Accounts participating in Non-Residential Solar, Non-Residential Wind, or Micro-Hydroelectric Service Options;
      c. Host Account participating in Fuel Cell or Farm Waste (Facility Located and Used at Premises) Service Options;
      d. Any other non-demand-billed Host Accounts.
   B. Application of Monetary Credits:
      Host Account:
      In a month where the Host Account has Excess Generation, the Excess Generation shall be converted to the equivalent monetary value at the per kWh rate applicable to the Host Account's service classification. The remote net metering credit shall first be applied to any outstanding charges on the Host Account's current electric bill.

      For Non-Hourly Pricing customers, remote net metering credits shall be defined as the Excess Generation multiplied by the Host Account’s applicable tariff per kWh rates. For Hourly Pricing customers, as defined under Billing for Hourly Pricing customers, remote net metering credits shall be defined as the excess monetary credit.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
22. Farm Waste Electric Generating System Option (Cont’d)

J. Special Provision (Cont’d)

a. Remote net Metering (Cont’d)

4. Calculation and Application of Net Metering Credits (Cont’d)

B. Application of Monetary Credits - Demand Billed or a Facility Located and Used at Farm Operation: (cont’d)

Satellite Accounts:
Any remaining monetary credit shall be allocated between the Host Account and the Satellite Accounts. The portion designated for the Satellite Accounts shall be applied to each Satellite Account bill as each subsequent Satellite Account bill is calculated. In the case of two Satellite Accounts billed on the same day, the credit shall be applied to the highest usage account first.

The credit applied to each Host or Satellite Account shall not exceed the current electric delivery charges, and if applicable, Company supply charges. If a monetary credit remains after applying credits to all designated Satellite Accounts, the credit shall be carried forward on the Host Account and the allocation process between Host and Satellite Accounts shall repeat until the value of the excess credit is zero, or until all associated accounts are finaled.

C. Application of Volumetric kWh Credits:
As each Satellite Account is billed, Excess Generation designated to the Satellite Account is converted to a monetary credit and applied to the per kWh charges on the Satellite Account. Monetary credits are calculated using the per kWh rate for the Service Classification applicable to the Satellite Account. If a credit remains after applying to the Satellite Account, the credit is converted back to kWh based on the per kWh rate for the Service Classification applicable to the Satellite Account and the kWh are transferred to the Host Account. This process between Host and Satellite Accounts shall repeat until the value of the excess credit is zero, or until all the Satellite Accounts have been billed. Any remaining kWh credits shall be carried forward on the Host Account to the following month.

D. Application of Credits at Avoided Cost - Facility Located and Used at Premises:
In a month where the Host Account has Excess Generation, the Excess Generation shall be converted to the monetary value at the Company’s Service Classification No.10 Buy Back Service Energy only rate.

The remote net metering credit shall first be applied to any outstanding charges on the Host Account's current electric bill. Any remaining monetary credit shall be allocated between the Host Account and the Satellite Accounts. The portion designated for the Satellite Accounts shall be applied to the Satellite Account bills as each subsequent Satellite Account bill is calculated. In the case of two Satellite Accounts billed on the same day, the credit shall be applied to the highest usage account first.

The credit applied to each Host or Satellite Account shall not exceed the current electric delivery charges, and if applicable, Company supply charges. If a monetary credit remains after applying credits to all designated Satellite Accounts, the credit shall be carried forward on the Host Account and the allocation process between Host and Satellite Accounts shall repeat until the value of the excess credit is zero, or until all associated accounts are finaled.

E. Upon the Company’s determination that the customer has taken service under this Section 22 while in violation of the conditions of service set forth in this Schedule, the customer shall forfeit any positive balance accrued during the annual period in which the violation occurred.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
22. Farm Waste Electric Generating System Option (Cont'd)
   J. Special Provision (Cont’d)
      a. Remote net Metering (Cont’d)
   4. Calculation and Application of Net Metering Credits (Cont’d)

F. Annual Reconciliation and Account Closure
   1. Annual reconciliation of remaining credits:
      Any remaining monetary credits shall be cashed out at avoided cost. For Non-Hourly Pricing customers, the
      cash-out payment shall be equal to the product of the kWh excess multiplied by the average avoided cost for
      the energy for the billing period in which the excess occurred. For Hourly Pricing customers, the payment
      shall be for the remaining portion of the excess credit priced at avoided cost. Upon the Company’s
      determination that the customer has taken service under this Section 22 while in violation of the conditions
      of service set forth in this Schedule, the customer shall forfeit any positive balance accrued during the
      annual period in which the violation occurred.

   2. Host Account closure:
      For Non-Hourly Pricing customers, any remaining monetary credits shall be cashed out at avoided cost of
      the supply. The cash-out payment shall be equal to the product of the kWh excess balance multiplied by the
      average avoided cost for the energy for the billing period in which the excess occurred. For Hourly Pricing
      customers, the payment shall be for the remaining portion of the excess credit priced at avoided cost. Any
      remaining non-avoided cost monetary credits are reset to zero.
23. Wind Electric Service Options

A. Wind Residential Electric Service Option

Applicable to any Residential Customer (as defined by HEFPA) who operates wind generating equipment located and used at his or her primary, legal residence. Wind generating equipment is defined as a wind system, with a rated capacity of not more than 25 kW that is manufactured, installed and operated in accordance with applicable government and industry standards. Such system must be connected to the customer's electric system and operated in parallel with the Company's transmission and distribution facilities.

Application of the Wind Residential Service Option shall be available to eligible customers, on a first come, first served basis, until the total rated generating capacity for all wind electric generating equipment owned or operated by customer-generators in the Company's service area is equivalent to 8,478 kW (70% of the Company's electric demand for the year 2005) and is available only in non-network areas of the Company's territory.

Customers electing service under this provision must execute a New York State Standardized Contract for Interconnection of New Distributed Generation Units with Capacity of 5 MW or Less Connected in Parallel with Utility Distribution Systems (“SIR Contract”). In addition, customers must operate in compliance with standards and requirements set forth in the New York State Standard Interconnection Requirements and Application Process for New Distributed Generators 5 MW or Less Connected in Parallel with Utility Distribution Systems, as set forth within Addendum-SIR of P.S.C. No. 119.

For a net metered customer, the Company shall install metering appropriate for the customer’s service classification that enables the Company to measure the electricity delivered to the customer and measure the electricity supplied by the customer to the Company. Where the Company determines that a second meter should be installed, no additional costs shall be billed to the customer. When a second meter is requested by the customer that is not required by the Company, the customer shall be responsible for the cost of the meter, the installation and any additional costs. For each billing period during the term of the SIR Contract, the Company shall net the electricity (kWh) delivered to the customers with the electricity (kWh) supplied by the customer to the Company.

a) If the electricity (kWh) supplied by the Company exceeds the electricity supplied by the customer to the Company during the billing period the customer shall be billed for the net kWh supplied by the Company to the customer at the standard service class rates. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak or Day/Night, netting shall occur in each time period.

b) If the electricity (kWh) supplied by the customer to the Company during the billing period exceeds the electricity (kWh) supplied by the Company to the customer, a kWh credit shall be carried forward for the next billing period. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak or Day/Night, the kWh credit shall be carried forward as a credit to the appropriate time period.

For customers billed on TOU rates, if the electricity (kWh) supplied by the customer to the Company is not metered for each TOU period and until such time as metering is installed to measure electricity supplied to the Company in each TOU period, an allocation of the electricity supplied to the Company shall be done according to allocation factors as set forth in a Special Provision provided in each service classification in this Schedule.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
23. Wind Electric Service Options (Cont’d.)

A. Wind Residential Electric Service Option (Cont’d.)

At the end of a year, or annualized over the period that service is supplied under this provision, the value of any credit remaining on a customer’s account for excess electricity produced by the customer-generator shall be paid to the customer at the Company’s avoided cost for energy. A cash payment shall be issued to the customer. A customer shall be provided a one-time option to select an individual anniversary date for the annual cash-out of excess net metering credits. The initial cash-out payment shall be equal to the product of excess balance multiplied by the average avoided cost for the energy over the number of months the customer has taken service under this provision. Upon the Company’s determination that the customer has taken service under this Section while in violation of the conditions of service set forth herein, the customer shall forfeit any positive balance accrued during the annual period in which the violation occurred.

Pursuant to the Standard Interconnection Requirements set forth within Addendum-SIR of P.S.C. No. 119, customers are responsible for providing all meter boxes and sockets. In the event that the Company determines that it is necessary to install a dedicated transformer or transformers, or other equipment to protect the safety and adequacy of electric service provided to other customers, the customer-generator shall pay for the cost of installing the transformer or transformers, or other equipment up to a maximum amount of $750.00. The Company shall not charge any additional wind electric specific interconnection costs incurred by the Company other than $750.00 for dedicated transformers or other equipment, if necessary. Customers are responsible for any costs related to the installation of their wind generating equipment. Notwithstanding the provisions herein, residential wind electric customers are responsible for meeting all otherwise applicable provisions and requirements of P.S.C. Nos. 119 and 120.

B. Wind Non-Residential Electric Service Option

Applicable to any Non-Residential Customer who operates wind generating equipment located and used at its premises. Wind generating equipment is defined as a wind system that is manufactured, installed and operated in accordance with applicable government and industry standards with a rated capacity of not more than 2,000 kW. Such system must be connected to the customer's electric system and operated in parallel with the Company's transmission and distribution facilities.

Application of the Wind Non-Residential Electric Service Option be available to eligible customers, on a first come, first served basis, until the total rated generating capacity for all wind electric generating equipment owned or operated by customer-generators in the Company's service area is equivalent to 8,478 kW (3/10% of the Company's electric demand for the year 2005) and is available only in non-network areas of the Company's territory.

Customers electing service under this provision must execute a New York State Standardized Contract for Interconnection of New Distributed Generation Units with Capacity of 5 MW or Less Connected in Parallel with Utility Distribution Systems (“SIR Contract”). In addition, customers must operate in compliance with standards and requirements set forth in the New York State Standard Interconnection Requirements and Application Process for New Distributed Generators 5 MW or Less Connected in Parallel with Utility Distribution Systems, as set forth within Addendum-SIR of P.S.C. No. 119.
GENERAL INFORMATION

23. Wind Electric Service Options (Cont’d.)

B. Wind Non-Residential Electric Service Option (Cont’d.)

For a net metered customer, the Corporation will install metering appropriate for the customer’s service classification that enables the Corporation to measure the electricity delivered to the customer and measure the electricity supplied by the customer to the Corporation. For non-residential customers with generators less than 25 kW where the Corporation determines that a second meter should be installed, no additional costs shall be billed to the customer. For non-residential customers with generators equal to or greater than 25 kW, the customer will be responsible for one-half of any interconnection costs, including the cost of a second meter where the Corporation determines a second meter is necessary and installation costs. When a second meter is requested by the customer that is not required by the Corporation, the customer will be responsible for the cost of the meter, the installation and any additional costs. For each billing period during the term of the SIR Contract, the Corporation will net the electricity (kWh) delivered to the customers with the electricity (kWh) supplied by the customer to the Corporation.

a) If the electricity (kWh) supplied by the Corporation exceeds the electricity supplied by the customer to the Corporation during the billing period the customer shall be billed for the net kWh supplied by the Corporation to the customer at the standard service class rates. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak or Day/Night, netting will occur in each time period.

b) If the electricity (kWh) supplied by the customer to the Corporation during the billing period exceeds the electricity (kWh) supplied by the Corporation to the customer, a kWh credit will be carried forward for the next billing period. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak or Day/Night, the kWh credit will be carried forward as a credit to the appropriate time period.

c) For demand-billed customers, prior to carrying forward any kWh credit, the kWhs will be converted to a dollar value using the applicable tariff per kWh rate and applied as a credit to the current utility bill. If the dollar value of the kWh exceeds the current utility bill, any remaining dollars will be converted back to kWhs and carried forward for the next billing period as a kWh credit.

For customers billed on TOU rates, if the electricity (kWh) supplied by the customer to the Corporation is not metered for each TOU period and until such time as metering is installed to measure electricity supplied to the Corporation in each TOU period, an allocation of the electricity supplied to the Corporation will be done according to allocation factors as set forth in a Special Provision provided in each service classification in this Schedule.

Upon the Corporation’s determination that the customer has taken service under this Section while in violation of the conditions of service set forth herein, the customer shall forfeit any positive balance accrued during the annual period in which the violation occurred.

Pursuant to the Standard Interconnection Requirements set forth within Addendum-SIR of P.S.C. No. 119, customers are responsible for providing all meter boxes and sockets. In the event that NYSEG determines that it is necessary to install a dedicated transformer or transformers, or other equipment to protect the safety and adequacy of electric service provided to other customers, a customer-generator with a combined rating less than 25 kW shall pay for the cost of installing such transformer(s) or other equipment, up to a maximum amount of $750. A customer-generator with a combined rating equal to or greater than 25 kW shall pay for the cost of installing the transformer(s) or other equipment. Notwithstanding the provisions herein, non-residential wind electric customers are responsible for meeting all otherwise applicable provisions and requirements of P.S.C. Nos. 119 and 120.

Issued in compliance with order in Case No. 10-E-0135 dated 3/31/10.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
23. Wind Electric Service Options (Cont’d.)

C. Farm Wind Electric Generating System Option

Applicable to any customer who owns or operates farm wind electric generating equipment ("Facility"), that generates electric energy with a rated capacity of not more than 500 kW; where the customer’s primary residence is located on the same land used for his or her "farm operation" as defined in Subdivision 11 of Section 301 of the Agriculture and Markets Law. Such definition states that a "farm operation" means the land and on-farm buildings, equipment, manure processing and handling facilities, and practices which contribute to the production, preparation and marketing of crops, livestock and livestock products as a commercial enterprise, including a "commercial horse boarding operation" as defined in subdivision thirteen of this Section 301 of the Agriculture and Markets Law.

The Facility must be manufactured, installed and operated in accordance with applicable government and industry standards. Such Facility must be connected to the Company's electric system and operated in parallel with the Company's transmission and distribution facilities.

The Farm Wind Electric Generating System Option shall be available to eligible customers, on a first come, first served basis, until the total rated generating capacity for all wind electric generating equipment owned or operated by customer-generators in the Company's service area is equivalent to 8,478 kW (3/10% of the Company's electric demand for the year 2005).

Customers electing service under this Section 23 must operate in compliance with standards and requirements set forth in the Distributed Generation Interconnection Requirements found in P.S.C. No. 119, Section 9 and Addendum-SIR to P.S.C. No. 119. In addition, customers must execute the New York State Standardized Contract For Interconnection of New Distributed Generation Units With Capacity of 5 MW or Less Connected in Parallel with Utility Distribution Systems ("SIR Contract"), as contained within Addendum-SIR of P.S.C. No. 119.

For a net metered customer, the Company shall install metering appropriate for the customer’s service classification that enables the Company to measure the electricity delivered to the customer and measure the electricity supplied by the customer to the Company. Where the Company determines that a second meter should be installed, no additional costs shall be billed to the customer. When a second meter is requested by the customer that is not required by the Company, the customer shall be responsible for the cost of the meter, the installation and any additional costs.

**Billing**

For each billing period during the term of the SIR Contract, the Company shall net the electricity (kWh) delivered to the customer with the electricity (kWh) supplied by the customer to the Company.

**Non-Hourly Pricing**

a) If the electricity (kWh) supplied by the Company exceeds the electricity supplied by the customer to the Company during the billing period, the customer shall be billed for the net kWh supplied by the Company to the customer at the standard service class rates. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak or Day/Night, netting shall occur in each time period.

**ISSUED BY:** James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
23. Wind Electric Service Options (Cont'd)
C. Farm Wind Electric Generating System Option (Cont'd)

Billing (Cont'd)

b) If the electricity (kWh) supplied by the customer to the Company during the billing period exceeds the electricity (kWh) supplied by the Company to the customer, a kWh credit shall be carried forward for the next billing period. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak or Day/Night, the kWh credit shall be carried forward as a credit to the appropriate time period.

c) For a demand-billed farm wind customer, prior to carrying forward any kWh credit, the kWhs shall be converted to a dollar value using the applicable tariff per kWh rate and applied as a credit to the current utility bill. If the dollar value of the kWh exceeds the current utility bill, any remaining dollars shall be converted back to kWhs and carried forward for the next billing period as a kWh credit.

For customers billed on TOU rates, if the electricity (kWh) supplied by the customer to the Company is not metered for each TOU period and until such time as metering is installed to measure electricity supplied to the Company in each TOU period, an allocation of the electricity supplied to the Company shall be done according to the allocation factors as set forth in a Special Provision provided in each service classification in this Schedule.

Hourly Pricing

a) For customers billed on Hourly Pricing, for each hour, the customer’s usage and its generation are netted within the hour.

b) Kilowatt-hour charges are calculated using the consumption in each hour in which the customer’s usage exceeds the customer’s generation multiplied by the applicable price.

c) The Company shall maintain two monetary values for the excess credit.

i. For each hour the electricity generated and supplied by the customer exceeds the customer’s usage, the kWh difference is multiplied by the avoided cost for energy for that hour. The result is the excess credit at avoided cost for that hour.

ii. For each hour in which the electricity generated and supplied by the customer exceeds the customer’s usage, the kWh difference is summed together and then multiplied by the sum of the remaining per kWh charges (e.g., Energy Charge, Transition Charge, Merchant Function Charge, Ancillary & NTAC, transmission project costs allocated to the Company under the NYISO tariff as approved by FERC, SBC, RDM, and Supply Adjustment Charge).

iii. The Company shall use excess credits from the prior month’s bill period and the current bill period to develop a ratio between the excess credit priced at avoided cost and the excess credit for remaining per kWh charges. The excess credits are applied to the current bill. Any remaining credits are multiplied by the ratio to determine the excess credit at avoided cost and the excess credit for remaining per kWh charges to carry forward to the next month.

Cash-out

If, (a) on an annual basis, during the term of the SIR Contract or (b) on the date the SIR Contract is terminated pursuant to the terms and conditions of said Contract, there exists a positive (kWh) balance for an accumulation of excess generation provided to the Company, then a cash payment shall be issued to the customer. For a Non-hourly Pricing customer, the payment shall be for an amount equal to the product of the excess balance times the average avoided cost for energy over the most recent 12-month period. For an Hourly Pricing customer, the payment shall be for the remaining portion of the excess credit priced at avoided cost, after credits are applied to the current bill period. Any remaining non-avoided cost monetary credits are reset to zero.

A customer shall be provided a one-time option to select an individual anniversary date for the annual cash-out of excess net metering credits. For a Non-hourly Pricing customer, the initial cash-out payment shall be equal to the product of excess balance multiplied by the average avoided cost for the energy over the number of months the customer has taken service under this provision. For an Hourly Pricing customer, the initial cash-out payment shall be for the remaining portion of the excess credit priced at avoided cost, after credits are applied to the current bill period. Any remaining non-avoided cost monetary credits are reset to zero. Upon the Company’s determination that the customer has taken service under this Section while in violation of the conditions of service set forth herein, the customer shall forfeit any positive balance accrued during the annual period in which the violation occurred.

Costs

In the event that the Company determines that it is necessary to install a dedicated transformer or transformers or other equipment to protect the safety and adequacy of electric service provided to other customers, a customer with a Facility with a rated capacity not more than 25 kW shall pay the Company’s actual costs of purchasing and installing such transformer(s) or other equipment in an amount not to exceed $750. A customer with a Facility with a rated capacity equal to or greater than 25 kW (up to 500 kW) shall pay the Company's actual costs of purchasing and installing such transformer(s) or other equipment located and used at customer’s “farm operation,” in an amount not to exceed $5,000 per “farm operation.”

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
23. Wind Electric Service Options (Cont’d.)

D. Remote Net Metering

1. Definitions

   Host Account: A Customer taking service pursuant to 23.B. Wind Non-Residential Electric Service Option, or 23.C. Farm Wind Electric Generating Service Option, and the customer meter where the wind generation is located and interconnected with the Company’s distribution system.

   Satellite Accounts: Additional meters designated by the Host Account, with the same name on the account, for the application of excess net metering credits.

   Net-Metered Generation Facility: A generation facility eligible for net metering in conformance with PSL 66-j or 66-l, limited in size consistent with those statutes, located behind the meter of the Host Account and attached to a load served under one of the Company’s service classifications.

   Excess Generation: the electricity (kWh) supplied by the customer to the Company during the billing period exceeds the electricity (kWh) supplied by the Corporation to the customer. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak, the excess is calculated and maintained for each peak.

2. Customer Requirements and Eligibility

   A customer participating in Wind Non-Residential Electric Service Option or Farm Wind Electric Generating Service Option may designate all or a portion of the excess credit, after application to the Host Account to Satellite Accounts at any property owned or leased by such customer within the same load zone as determined by the Locational Based Market Price. This shall be completed on a form when submitting their initial remote net metering application.

   A. Host Account(s)

      A customer may designate more than one Host Account and shall provide an application for each Host Account. The Host Accounts must be held by the same customer and have an identical billing name, on property owned or leased by such customer. A Host Account cannot be a Satellite Account.

      a. A demand billed customer that applies for Remote Net Metering as a Host Account shall receive monetary satellite credits calculated pursuant to Section 22.I.4.B. Application of Monetary Credits.

      b. A non-demand billed customer that applies for Remote Net Metering as a Host Account shall receive volumetric per kWh satellite credits calculated pursuant to Section 22.I.4.C. Application of Volumetric Credits, except for those that meet the Grandfathering Requirements:

      Grandfathering Requirements:

      Net metered projects, under Public Service Law §66-l, meeting the following criteria and conditions shall be allowed to retain monetary crediting per Section 22.I.4.B. Application of Monetary Credits, at qualifying remote net metered locations.

      1) By June 1, 2015:

         a. Projects that have been interconnected; or

         b. Projects for which developers have submitted a completed preliminary interconnection application to the relevant utility; or

         c. Projects that have completed applications for grants through Program Opportunity Notices (PONs) 2112, 2439, 2589, 2860, and 2956 conducted by the New York State Energy and Research Development Authority (NYSERDA) or the Request for Proposals (RFP) process conducted by New York City for development of renewable facilities at the Freshkills Landfill; or,

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
GENERAL INFORMATION

23. Wind Electric Service Options (Cont’d)
D. Remote Net Metering (Cont’d)
   2. Customer Requirements and Eligibility (Cont’d)
   A. Host Account(s) (Cont’d)
      1) (Cont’d)
      d. Projects that have completed applications for grants in NYSERDA’s NY-Sun MW Block Program for projects sized at more than 200 kW; or
      e. Projects that a State, municipal, district, or local governmental entity has solicited through a Request for Proposals or a Request for Information issued in conformance with applicable law.

   2) To retain the monetary crediting, a project must enter service by the date specified in the NYSERDA PONs in 1).e or NY-Sun MW Block Program for projects sized at more than 200 kW, 1).d, or another governmental entity process, as that date may be extended by the relevant governmental entity, or by December 31, 2017 if no date is specified by a governmental entity.

   3) Monetary credits shall remain in effect for a term of 25 years from the later of: April 17, 2015 or the project in-service date.

   B. Satellite Accounts
      a. Must be held by the same customer and have an identical billing name, on property owned or leased by such customer.
      b. The Company reserves the right to investigate/obtain proof that all designated accounts are held by the customer.
      c. A Satellite Account may have more than one Host Account. The name plate rating of the Net Metered Generation Facility(ies) designated as Host Account for a Satellite Account shall not exceed 2 MW in aggregate, including the name plate rating of a Net Metered Generation Facility located at the Satellite Account.
      d. A non-metered account may qualify as a Satellite Account if the Host Account is being compensated based on a monetary crediting methodology pursuant to Rule 40, Value of Distributed Energy Resources (“VDER”).

   3. Enrollment and Change Period

      After the customer’s initial application, the enrollment and change period is from January 1 through January 31. Any changes shall be effective with the initial Host Account billing after March 1.

      Remote Net Metering customers may submit a change request form annually during the change period to designate additional Satellite Accounts or delete existing active Satellite Accounts. The customer may also change the portion (percentage) of excess to remain at the Host Account once per year.

   4. Calculation and Application of Net Metering Credits
      A. If more than one Host Account is designated by the customer and there is excess generation from more than one Host Account, the Company shall apply credits from the Host Accounts to the Satellite Accounts in the following order:
         1) Grandfathered or Demand-billed Host Accounts participating in Farm Waste (Facility Located and Used for Farm Operations) or Farm Wind Electric Service Options;
         2) Grandfathered or Demand-billed Host Accounts participating in Non-Residential Solar, Non-Residential Wind, or Micro-Hydroelectric Service Options;
         3) Host Account participating in Fuel Cell or Farm Waste (Facility Located and Used at Premises) Service Options;
         4) Any other non-demand-billed Host Accounts.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
23. Wind Electric Service Options (Cont’d)

D. Remote Net Metering (Cont’d)

4. Calculation and Application of Net Metering Credits (con’t)

B. Application of Monetary Credits

Host Account:

In a month where the Host Account has Excess Generation, the Excess Generation shall be converted to the equivalent monetary value at the per kWh rate applicable to the Host Account’s service classification. The remote net metering credit shall first be applied to any outstanding charges on the Host Account’s current electric bill.

For Non-hourly Pricing customers, remote net metering credits shall be defined as the Excess Generation multiplied by the Host Account’s applicable tariff per kWh rates. For Hourly Pricing customers, as defined under Billing for Hourly Pricing customers, remote net metering credits shall be defined as the excess monetary credit.

Satellite Accounts:

Any remaining monetary credit from the Host shall be allocated to each Satellite Account in accordance with the Host Account designation pursuant to Section 2. The portion designated for the Satellite Accounts shall be applied on each Satellite Account bill as each subsequent Satellite Account bill is calculated. If a monetary credit remains after applying credits to all designated Satellite Accounts, the credit shall be carried forward on the Host Account and the allocation process between Host and Satellite Accounts shall repeat until the value of the excess credit is zero, or until all associated accounts are finaled. In the case of two Satellite Accounts billed on the same day, the excess credit shall be applied to the highest usage account first.

The credit applied to each Host or Satellite Account shall not exceed the current electric delivery charges, and if applicable, Company supply charges.

C. Application of Volumetric kWh Credits:

As each Satellite Account is billed, Excess Generation designated to the Satellite Account is converted to a monetary credit and applied to the per kWh charges on the Satellite Account. Monetary credits are calculated using the per kWh rate for the Service Classification applicable to the Satellite Account. If a credit remains after applying to the Satellite Account, the credit is converted back to kWh based on the per kWh rate for the Service Classification applicable to the Satellite Account and the kWh are transferred to the Host Account. This process between Host and Satellite Accounts shall repeat until the value of the excess credit is zero, or until all the Satellite Accounts have been billed. Any remaining kWh credits shall be carried forward on the Host Account to the following month.

In the case of two Satellite Accounts billed on the same day, the excess credit shall be applied to the highest usage account first.

The credit applied to each Satellite Account shall not exceed the current electric per kWh delivery charges, and if applicable, Company supply charges.

D. Upon the Company’s determination that the customer has taken service under this Section 23 while in violation of the conditions of service set forth in this Schedule, the customer shall forfeit any positive balance accrued during the annual period in which the violation occurred.
23. Wind Electric Service Options (Cont’d.)
   D. Remote Net Metering (Cont’d)

V. **Annual Reconciliation and Account Closure**

Annual reconciliation of remaining credits
a) For Host Accounts where no annual reconciliation provided, any remaining excess credits shall continue to carry forward as a monetary credit to the next billing period.

b) For Host Accounts where an annual reconciliation is provided, any remaining monetary credits shall be cashed out at avoided cost for the Host Account. For Non-hourly Pricing customers, the cash-out payment shall be equal to the product of kWh excess multiplied by the average avoided cost for the energy for the billing period in which the excess occurred. For Hourly Pricing customers, the payment shall be for the remaining portion of the excess credit priced at avoided cost. Any remaining non-avoided cost monetary credits are reset to zero.

Upon the Company’s determination that the customer has taken service under this Section 23 while in violation of the conditions of service set forth in this Schedule, the customer shall forfeit any positive balance accrued during the annual period in which the violation occurred.

On Host Account closure
a) For non-residential Host Accounts, any remaining monetary credits shall not be cashed out or transferred.

b) For Farm Wind Host Accounts, any remaining monetary credits shall be cashed out at avoided cost of the supply. The cash-out payment shall be equal to the product of the kWh excess multiplied by the average avoided cost for the energy for the billing period in which the excess occurred. For Hourly Pricing customers, the payment shall be for the remaining portion of the excess credit priced at avoided cost. Any remaining non-avoided cost monetary credits are reset to zero.
GENERAL INFORMATION

24. Electric Hybrid Generating System Option

Applicable to any customer who owns or operates two types of electric generating equipment as defined in General Information Sections 22, 23, 26, or 27 of this Schedule (“Hybrid Facility”) at the same location. The Hybrid Facility Option is intended to allow hybrid facilities the benefit of net metering for qualified generation.

Customers electing service under this Section must operate in compliance with standards and requirements set forth in the Distributed Generation Interconnection Requirements found in P.S.C. No. 119, Section 9 and Addendum-SIR to P.S.C. No. 119. In addition, customers must execute the New York State Standardized Contract For Interconnection of New Distributed Generation Units With Capacity of 5 MW or Less Connected in Parallel with Utility Distribution Systems (“SIR Contract”), as contained within Addendum-SIR of P.S.C. No. 119.

Metering

The Company shall install metering appropriate for the customer’s service classification that enables the Company to measure the electricity delivered to the customer and measure the qualified electricity supplied by the customer to the Company. Billing, netting or compensation for generation shall be consistent for the qualified generation as defined in General Information Sections 22, 23, 26, or 27.

Where the Company determines additional meters should be installed, no additional meter costs shall be billed to the customer. When a second meter is requested by the customer that is not required by the Company, the customer shall be responsible for all additional costs.
GENERAL INFORMATION

Reserved for future use.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
GENERAL INFORMATION

Reserved for future use.
25. Supply Service Options

I. Supply Service Options

A. Supply Service Options

The Company shall offer a Retail Access choice and a Non-Retail Access choice, as described below. These Supply Service Options are available to all customers, except as noted herein and in Rule 25.I.F.

1. ESCO Supply Service (ESS): This Retail Access choice includes fixed charges for NYSEG delivery service a Transition Charge (Non-Bypassable Charge [\“NBC\”]) described in Rule 25.I.B. and a Bill Issuance Charge, if applicable. An ESCO provides Electric Power Supply to the customer.

2. NYSEG Supply Service (NSS): This Non-Retail Access choice includes fixed charges for NYSEG delivery service, a Transition Charge (Non-Bypassable Charge [\“NBC\”] as described in Rule 25.I.B., a Bill Issuance Charge, a fluctuating commodity charge for electricity supplied by NYSEG as described in Section 25.I.C., and a Merchant Function Charge (\“MFC\”) as described in Rule 25.I.D.

a. The commodity charge for customers billed under Service Classification Nos. 1, 5, 6, 9 and non-demand billed Service Classification No. 11 customers within P.S.C. No. 120, and P.S.C. No. 121 Street Lighting, shall reflect a managed mix of supply resources.

b. The commodity charge for customers billed under Service Classification Nos. 2, 3, 7, 8, 12, Hourly Pricing demand billed Service Classification No. 11 customers within P.S.C. No. 120, shall reflect the market price of electricity.
25. Supply Service Options: (cont’d.)

I. Supply Service Options (cont’d.)

A. Supply Service Options: (cont’d.)

3. Hourly Pricing: This choice is for customers billed at a demand metered rate, which includes non-residential Service Classification Nos. 2, 3, and 7, and demand billed Service Classification No. 11 customers within P.S.C. No. 120. Customers may take service with an ESCO or with NYSEG under this choice.

a. For customers taking service with an ESCO, such customers will be responsible for fixed charges for NYSEG delivery service, a Transition Charge (Non-Bypassable Charge [“NBC”]) as described in Rule 25.I.B.

b. For customers taking service with NYSEG, such customers will be responsible for fixed charges for NYSEG delivery service, a Transition Charge (Non-Bypassable Charge [“NBC”]) as described in Rule 25.I.B., a commodity charge for electricity supply that fluctuates hourly with the market price (including losses, unaccounted for energy, capacity and capacity reserve), a Merchant Function Charge (“MFC”) as described in Rule 25.I.D.
25. Supply Service Options: (cont’d.)

I. Supply Service Options (cont’d.)

B. Transition Charge (Non-Bypassable Charge [“NBC”])

1. Calculation of the Transition Charge (Non-Bypassable Charge [“NBC”])

This charge shall sum together the:

a) market value of the Company’s owned hydro plant output at the generation source;

b) net market value of the purchased power contracts of the NUG and NYPA resources (market value of the purchased power contract costs determined at the generation source less the contract costs);

c) monthly payments received by the Company from NYPA under the Recharge New York Residential Consumer Discount Program (New York Public Authorities Law § 1005(13-b)); any Public Service Commission approved adjustments;

d) Any over- or under- collections from reconciliation of the Residential Agricultural Discount, as set forth in Rule 33.2.B, shall be included in a subsequent monthly NBC for the residential customer classes. Application of the Residential Agricultural Discount reconciliation amounts to the NBC shall not cause the NBC to reduce the delivery bill to less than zero.

e) costs associated with the Demand Response Programs available pursuant to Rules 34, 35, or 36;

f) all actual transmission wheeling expenses; certain actual wholesale transmission-related revenues (A $54.3 million estimate of transmission revenues was included in the delivery revenue requirements calculated in Case No. 09-E-0715. Any difference between the actual amount of transmission revenues and the $54.3 million embedded in base delivery rates, calculated on a historical monthly average basis, shall be captured in the NBC).

g) The NBC shall include the Lost Revenue Recovery Mechanism (LRRM) as described in Section 25.1E.

h) Credits provided to customers receiving the Standby Reliability Credit, as set forth in Service Classification 11, Special Provision (f), will be recovered through the NBC.

i) The following costs associated with Value Stack credits paid by the Company pursuant to Rule 40.B, Value Stack shall be allocated and collected by service classification as follows:

   a. Capacity Value [Market Value]: allocated to service classes based on how the Company allocates ICAP;

      i. Costs associated with the Capacity Value [Market Value and Out of Market Value] shall not be recovered from Hourly Pricing customers

   b. Capacity Value [Out of Market Value], Environmental Value [Out of Market Value], and Market Transition Credit: all delivery customers, allocated to service classes based on the composition of subscribers who receive benefits in proportion to the benefits received;

   c. Demand Reduction Value (DRV) and Locational System Relief Value (LSRV): all delivery customers on a voltage level basis; allocated to service class by voltage level based on appropriate T&D demand allocators. The DRV and LSRV shall be collected from demand-billed customers on a per-kW basis.

j) The costs associated with Rule 34, Distribution Load Relief Program; Rule 35 Commercial System Relief Program; and Rule 36, Direct Load Control Program, shall be allocated as described in those Rules and collected by service classification as follows:

   a. non-demand billed customers on a per-kWh basis;

   b. demand-billed customers on a per-kW basis.

Effective December 1, 2011, pursuant to the Order in Case 01-E-0011, issued and effective October 26, 2001, the purchased power contract with the new owner of the nuclear generating plant previously co-owned by the Company shall convert to a Revenue Sharing Agreement (RSA).

Any applicable payments received under the RSA for a contract quarter shall be refunded to customers beginning in the calendar month following the month in which the payment is received. Such payments shall be refunded to customers over three consecutive months.

The NBC shall be set monthly based on a forecast and subject to a monthly true-up for all components based on the actual after-the-fact costs and load subject to the NBC.

All service classes shall pay the NBC on a volumetric basis (with the exception as noted in (1.i.c.) above); residential customer classes shall also receive the benefits, if any, of NYPA purchased power and monthly payments received by the Company from NYPA under the Recharge New York Residential Consumer Discount Program (New York Public Authorities Law § 1005(13-b)), consistent with any the Company contracts with NYPA for such purchased power and/or monthly payments.
25. Supply Service Options: (cont’d)

I. Supply Service Options (cont’d)

B. Transition Charge (Non-Bypassable Charge [“NBC”])

1. Calculation of the Transition Charge (Non-Bypassable Charge [“NBC”]): (cont’d)

   (iv) All items collected through the NBC shall be symmetrically reconciled and trued-up monthly in a competitively neutral manner. The credits or charges related to the reconciliation shall be included in a subsequent monthly NBC.

A Transition Charge Statement setting forth the Transition Charge (NBC) shall be filed with the Public Service Commission on not less than one days’ notice.

C. Calculation of the Commodity Charge

1. S.C. Nos. 1, 5, 6, 9, 11 (Non-Demand), and P.S.C. No. 121 (Street Lighting)

   The charge for Electric Power Supply provided by NYSEG shall fluctuate with the market price of electricity and shall include the following components; Energy, Energy Losses, Unaccounted For Energy (“UFE”), Capacity, Capacity Reserves, Capacity Losses, Ancillary Services/NTAC, transmission project costs allocated to the Company under the NYISO tariff as approved by FERC, Hedge Adjustment and Supply Adjustment Charge. The methodology for calculating the Energy and Capacity components of the charge for Electric Power Supply is as follows:

   Energy Component: For each day of the customer’s billing cycle, a daily average value of market supply is derived from forward trading market prices of electricity for the region (East or West of the NYISO Total East Interface) in which the Customer is located and previous true-ups, weighted to reflect hourly usage based on service classification load profiles for the calendar month and day-type (Weekday, Saturday or Sunday/Holiday). Separate calculations shall be made for each metered time period for the Customer’s individual Service Classification.

   The daily load weighted market price of energy shall be adjusted to reflect losses. These daily average market supply values are used in conjunction with the service classification profile to develop a weighted average value of market supply for each metered time period within the Customer’s specific billing period. The weighted average of market supply is multiplied by the Customer’s metered kWh usage for each metered time period to determine the value of market supply.

   Capacity Component: The Capacity component is calculated using the market-clearing price of capacity converted to $/kWh as determined from the NYISO’s monthly and spot capacity auctions for the capacity zone in which the customer is located. The capacity price shall also include capacity losses and reserves. The service class profile shall be used to determine the customer’s capacity responsibility of state-wide system peak demand. A new capacity responsibility amount shall be effective each May 1st. The service class profile contribution to the system peak demand may need to be adjusted for a growth factor.

   Capacity Charge = UCAP Charge + Demand Curve Reserve Charge

   UCAP Charge = (UCAP_{req} * (1 + Reserve_{req}) * Price_{monthlyauc})

   UCAP_{req} = The demand for the customer’s service class that occurred at the time of the New York system peak of the prior year, grossed up for losses and a growth factor.

   Reserve_{req} = Additional reserve requirement as required by NYISO.

   Price_{monthlyauc} = Monthly NYISO auction price.

   Demand Curve Reserve Charge = (UCAP_{req} * DemandCurve Reserve_{req}) * Price_{spotauc})

   DemandCurve Reserve_{req} = Allocation of additional capacity requirement as required by the NYISO’s demand curve.

   Price_{spotauc} = Monthly NYISO SPOT auction price.

Ancillary Services/NYPA Transmission Adjustment Charge (NTAC) Component: The ancillary services/NTAC shall be forecasted each month and included in the supply price and subsequently reconciled.
25. Supply Service Options: (cont’d.)
I. Supply Service Options (cont’d.)
C. Calculation of the Commodity Charge (cont’d.)

1. S.C. Nos. 1, 5, 6, 9, 11 (Non-Demand), and PSC No. 121 (Street Lighting) (cont’d)

   NYISO Related Transmission Charges: Transmission project costs allocated to the Company under the NYISO tariff as approved by FERC.

   Hedge Adjustment: The hedge adjustment shall pass through to customers the impact of any hedge position entered into on behalf of such customers.

   Supply Adjustment Charge Component: Unaccounted For Energy, Renewable Energy Credits (RECs) and Zero Emission Credits (ZECs) costs and if applicable, Alternative Compliance Payment (ACP), costs the Company has paid for the Value Stack Energy Component not reflected in the price for the Energy Component and the Market Value of the Environmental component of the Value Stack pursuant to Rule 40.B., and all costs incurred related to supply shall be reconciled and recovered or refunded through a subsequent Supply Adjustment Charge incorporated in the supply charge.

2. Non-Hourly Pricing S.C. Nos. 2, 3, 7, 8, 11 (Demand), and 12

   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 (“UFE”), Capacity, Capacity Reserves, Capacity Losses, Ancillary Services/NTAC, and a Supply Adjustment Charge. The methodology for calculating the Energy and Capacity components of the charge for Electric Power Supply is as follows:

   **Energy Component:** For each day of the customer’s billing cycle, a daily average value of market supply is derived from the day ahead NYISO posted Locational Based Marginal Prices (LBMP) of electricity for the region (East or West of the NYISO Total East Interface) in which the Customer is located, weighted to reflect hourly usage based on service classification load profiles for the calendar month and day-type (Weekday, Saturday or Sunday/Holiday). Separate calculations shall be made for each metered time period for the Customer’s individual Service Classification. LBMP in Zone C shall be used for customers electrically connected West of the Total East NYISO Interface. LBMP in Zone G shall be used for customers electrically connected East of the NYISO Total East Interface.

   The daily load weighted market price of energy shall be adjusted to reflect losses and Unaccounted For Energy. These daily average market supply values are used in conjunction with the service classification profile to develop a weighted average value of market supply for each metered time period within the Customer’s specific billing period. The weighted average value of market supply is multiplied by the Customer’s metered kWh usage for each metered time period to determine the value of market supply.

   **Capacity Component:** The Capacity component is calculated using the market-clearing price of capacity converted to $/kW as determined from the NYISO's monthly and spot capacity auctions. The Capacity Component shall be revised in accordance with each monthly UCAP auction held by the NYISO. The capacity price shall also include capacity losses and reserves based on the NYISO monthly and spot capacity auctions. The service class profile shall be used to determine the customer’s capacity responsibility of state-wide system peak demand. A new capacity responsibility amount shall be effective each May 1st. The service class profile contribution to the system peak demand may need to be adjusted for a growth factor.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghampton, New York
25. Supply Service Options: (cont’d.)
   I. Supply Service Options (cont’d.)
      C. Calculation of the Commodity Charge (cont’d.)

   2. Non-Hourly Pricing S.C. Nos. 2, 3, 7, 8, 11 (Demand), and 12 (Cont’d)
      Capacity Component (Cont’d)

      Capacity Charge = UCAP Charge + Demand Curve Reserve Charge

      UCAP Charge = (UCAPreq * (1 + Reservereq) * Pricemonthlyauc)

      UCAPreq = The demand for the customer’s service class that occurred at the time of the New York system peak of the prior year, grossed up for losses and a growth factor.

      Reservereq = Additional reserve requirement as required by NYISO.

      Pricemonthlyauc = Monthly NYISO auction price.

      Demand Curve Reserve Charge = (UCAPreq * DemandCurveReservereq) * Pricespotauc)

      UCAPreq = Described above.

      DemandCurveReservereq = Allocation of additional capacity requirement as required by the NYISO’s demand curve.

      Pricespotauc = Monthly NYISO SPOT auction price.

      Ancillary Services/NYPA Transmission Adjustment Charge (NTAC) Component: The ancillary services/NTAC shall be forecasted each month and included in the supply price and subsequently reconciled.

      NYISO Related Transmission Charges: Transmission project costs allocated to the Company under the NYISO tariff as approved by FERC.

      Supply Adjustment Charge Component: Unaccounted For Energy, Renewable Energy Credits (RECs), Zero Emission Credits (ZECs) costs if applicable, Alternative Compliance Payment (ACP), costs the Company has paid for the Value Stack Energy Component not reflected in the price for the Energy Component and the Market Value of the Environmental component of the Value Stack pursuant to Rule 40.B., and all costs incurred related to supply shall be reconciled and recovered or refunded through a subsequent Supply Adjustment Charge incorporated in the supply charge.

   3. Hourly Pricing S.C. Nos. 2, 3, 7, and 11 (Demand)

      Energy Component

      Customers served under these provisions shall be charged for the energy component of supply based on their hourly metered usage and the hourly supply cost. The electricity supply charge is equal to the sum of the hourly metered usage multiplied by the New York Independent System Operator (NYISO) Day-Ahead Market (DAM) Location Based Marginal Price (LBMP) for the Zone in which the customer is electrically connected, adjusted for system losses (Distribution Loss Factor of 1.0728), ancillary services, NTAC, transmission project costs allocated to the Company under the NYISO tariff as approved by FERC, and Supply Adjustment Charge. Capacity charges shall also be based on interval meter data. The DAM LBMP prices shall be the initial published DAM LBMP prices acquired by the Company. The customer’s bill shall not be recalculated if such prices are modified by the NYISO at a later date.
GENERAL INFORMATION

25. Supply Service Options: (cont’d.)

I. Supply Service Options (cont’d.)

C. Calculation of the Commodity Charge (cont’d.)

3. Hourly Pricing S.C. Nos. 2, 3, 7, and 11 (Demand) (Cont’d)

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Capacity Component

The capacity and capacity reserves are specific to the customer. When hourly data is not available the appropriate service class profile shall be used to determine the customer’s capacity responsibility. A new capacity responsibility amount shall be established for each customer each April. Customers new to Hourly Pricing that begin the service prior to April shall be assigned their capacity responsibility based on their service class profile until the first April where the required hourly data is available.

Capacity Charge = UCAP Charge + Demand Curve Reserve Charge

UCAP Charge = \( ((UCAP_{\text{req}} \times L_c) \times (1 + Reserve_{\text{req}}) \times \text{Price}_{\text{monthlyauc}}) \)

UCAP_{\text{req}} = The customer specific demand that occurred at the time of the New York system peak of the prior year. When the customer specific information is not available the appropriate service class profile information shall be used.

L_c = Capacity Loss Factor of 1.0738

L_c = Capacity loss factor:

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L_c = Capacity loss factor:

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ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
25. Supply Service Options: (cont’d.)
   I. Supply Service Options (cont’d.)
      C. Calculation of the Commodity Charge (cont’d.)
         3. Hourly Pricing S.C. Nos. 2, 3, 7, and 11 (Demand) (Cont’d)

         Reserve_{req} = Additional reserve requirement as required by NYISO.

         Price_{monthlyauc} = Monthly NYISO auction price.

         Demand Curve Reserve Charge = ((UCAP_{req} * L_c) * DemandCurveReserve_{req}) * Price_{spotauc})

         UCAP_{req} = Described above.

         L_c = See above.

         DemandCurveReserve_{req} = Allocation of additional capacity requirement as required by the NYISO’s demand curve.

         Price_{spotauc} = Monthly NYISO auction price.

         Ancillary Services/NYPA Transmission Adjustment Charge (NTAC) Component: The ancillary services/NTAC shall be forecasted each month and included in the supply price and subsequently reconciled.

         NYISO Related Transmission Charges: Transmission project costs allocated to the Company under the NYISO tariff as approved by FERC.

         Supply Adjustment Charge Component: Unaccounted For Energy, Renewable Energy Credits (RECs), Zero Emissions Credits (ZECs), and if applicable, Alternative Compliance Payment (ACP), costs the Company has paid for the Value Stack Energy Component not reflected in the price for the Energy Component and the Market Value of the Environmental component of the Value Stack pursuant to Rule 40.B., and all costs incurred related to supply shall be reconciled and recovered or refunded through a subsequent Supply Adjustment Charge incorporated in the supply charge.

         D. Merchant Function Charge (MFC):

         The MFC shall be applicable to only those customers taking supply service from the Company (i.e., NSS and Hourly Pricing) and is set forth in a statement at the end of this Schedule (P.S.C. No. 120 – Electricity). A separate MFC shall be calculated for Non-demand billed (hedged), (S.C. Nos. 1, 5, 6, 9, and street lighting), Non-demand billed (non-hedged), (S.C. Nos. 8 and 12), and Demand billed (S.C. Nos. 2, 3, 7, 11, 13, and 14) customers. For Service Classification Nos. 11, 13, and 14, the customer’s otherwise applicable service classification shall determine the applicable MFC.

         1) The MFC shall include the following rate components as described in the Joint Proposal dated July 14, 2010 in Case Nos. 09-E-0715, 09-G-0716, 09-E-0717, and 09-G-0718, and as further amended by the Joint Proposal dated February 19, 2016, in Cases 15-E-0283, 15-G-0284, 15-E-0285, and 15-G-0286.

         a) Commodity-related Uncollectible Costs
         b) Commodity-related Credit and Collections and Call Center costs;
         c) Commodity-related Administrative costs;
         d) Cash Working Capital on Purchased Power costs and
         e) Cash Working Capital on Commodity Hedge Margin costs.
         f) Prior Period Reconciliation

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
25. Supply Service Options: (cont’d.)

I. Supply Service Options (cont’d.)

D. Merchant Function Charge (MFC): (cont’d.)

2.) The MFC components shall be updated and reconciled as stated below in accordance with the Joint Proposal dated July 14, 2010 in Case Nos. 09-E-0715, 09-G-0716, 09-E-0717, and 09-G-0718, and as further amended by the Joint Proposal dated February 19, 2016, in Cases 15-E-0283, 15-G-0284, 15-E-0285, and 15-G-0286.

a) Commodity-related Uncollectible Costs
   - The commodity related uncollectible percentage rate shall be reset annually based on the most recent available 12-month period of actual uncollectibles.
   - The commodity-related uncollectible component of the MFC shall be calculated each month by multiplying the uncollectible percentage rate for each of the groups described above by the associated monthly electric supply cost.

b) Commodity-related Credit and Collections and Call Center costs
   - The Credit and Collections and Call Center costs component shall be reconciled annually for differences in actual versus design sales only. The unit rate shall be reset annually based on recent MFC and POR sales forecasts.

c) Commodity-related Administrative costs
   - The Administrative Component shall be reconciled annually for differences in actual versus design sales only. The unit rate shall be reset annually based on recent sales forecasts.

d) Cash Working Capital on Purchased Power costs
   - If the New York Independent System Operator starts weekly billing, the electric MFC shall include a component for Cash Working Capital on Purchase Power.
   - Working Capital on Purchase Power shall be calculated based on the Companies’ pre-tax rate of return.
   - The Companies shall reconcile the Working Capital on Purchased Power to actual applicable costs. This component shall be updated annually to reflect actual costs from the most recently available 12-month period and the most recent sales forecast.

e) Cash Working Capital on Commodity Hedge Margin costs
   - The cash working capital on Commodity Hedge cost component shall be based on the Companies’ pre-tax rate of return and shall be reconciled to actual costs annually. Additionally, this component shall be updated annually to reflect actual costs from the most recently available 12-month period and the most recent sales forecast.

E. Lost Revenue Recovery Mechanism (LRRM)

The LRRM shall be a component of the Transition Charge (Non-Bypassable Charge [“NBC”]). The LRRM shall consist of the collection/return of the under- or over-recovered unavoidable costs embedded in the MFC for any period up to and including 8/25/10.

Under or over collection of MFC related costs for MFC’s in effect after 8/25/11 shall be collected through the MFC reset.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
25. Supply Service Options: (cont’d.)

I. Supply Service Options (cont’d.)

F. Customer Eligibility Exceptions:

1. Customers Applying for Service:
   If a customer applying for Service has not elected a Supply Service option by the time of billing, the Company shall bill the customer at the appropriate default option as explained in Section 25.I.H. When a customer contacts the Company with their choice, that Supply Service option shall be applicable to usage on and after the next regularly-scheduled estimated or actual meter reading date after such contact.

2. Incentive Rate Customers:
   Customers receiving an Economic Incentive may select a Supply Service option, as specified in the applicable Special Provision for Economic Incentives of the respective service classifications. The customer must choose the same Supply Service option for their entire load.

3. NYPA Customers:
   Customers who receive a portion of their Electric Power Supply from NYPA, (Expansion, HLFM, Replacement or Preservation Power, Recharge NY Power, WNY), with Standard Load (non-NYPA load), shall be permitted to take service under any Supply Service option for their Standard Load. The NYPA load shall continue to be billed in accordance with General Information Section 11 or the Special Provision of Service Classification No. 7. If the NYPA allocation expires or is terminated, the Supply Service option for that load shall be the same option the customer selected for the Standard Load (non-NYPA load).
GENERAL INFORMATION

25. Supply Service Options: (cont’d.)

I. Supply Service Options (cont’d.)

F. Customer Eligibility Criteria: (cont’d.)

4. Service Classification No. 11 (“S.C. No. 11”)
   A customer taking service under S.C. No. 11 is eligible to select a Supply Service option as follows:
   
   a. “OASC”: A customer taking service under S.C. No. 11 as an Existing Customer having elected the Phase-In, or as a Designated Technology Customer having elected the one-time exemption, both as defined in S.C. No. 11, shall be billed at otherwise applicable service classification (“OASC”) rate. Such customers are eligible for: 1) the NYSEG Supply Service (NSS), unless the customer is required to participate in mandatory Hourly Pricing or voluntarily elects Hourly Pricing, or 2) the ESCO Supply Service (ESS).

   b. S.C. No. 11: A customer taking service under SC 11, shall be billed at the SC 11 rates set forth under the section “RATES”. Such customers are eligible for: 1) the NYSEG Supply Service (NSS), unless the customer is required to participate in mandatory Hourly Pricing or voluntarily elects Hourly Pricing, or 2) the ESCO Supply Service (ESS).

5. Service Classification Nos. 13 or 14 (“S.C. No. 13” or “S.C. No. 14”) Contracts
   A customer taking service under S.C. Nos. 13 or 14 whose contract expires during the Enrollment Period is eligible for a Supply Service option as described in Section 25.I.A.

   A customer taking service under S.C. Nos. 13 or 14 whose contract expires on or after January 1, 2008, may select a Supply Service option, upon expiration of their contract, subject to the rules specified in Section 25.I.I.5, S.C. No. 13 or S.C. No. 14 Contracts Expiring. A customer receiving service under such S.C. No. 13 or S.C. No. 14 contract shall not be eligible to select a Supply Service option during the term of the contract, unless the contract so provides.

6. Hourly Pricing
   Hourly Pricing is mandatory for certain non-residential demand billed customers in Service Classification Nos. 2, 3, and 7, and demand billed Service Classification No. 11. A customer billed at an Hourly Pricing rate is eligible to select a Supply Service option as defined in Rule 25.I.A.3:

   Customers that received an Economic Incentive or NYPA allocation on or before December 31, 2006 are exempt from mandatory Hourly Pricing.
GENERAL INFORMATION

25. Supply Service Options: (cont’d.)

I. Supply Service Options (cont’d.)

   G. Reserved for Future Use

   H. Default Process:

      If a customer applying for service has not elected a Supply Service option, the Company shall bill the customer under the Company Supply Service option or Hourly Pricing, as appropriate.
GENERAL INFORMATION

25. Supply Service Options: (cont’d.)

I. Supply Service Options (cont’d.)

   H. Reserved for Future Use
25. Supply Service Options:  (cont’d.)

I. Supply Service Options (cont’d.)

   I. Changing Supply Service Options

   1. A customer can switch to and from retail access at any time subject to the requirements set forth in General Information Section 16 – Customer Advantage Program – General Retail Access and the Uniform Business Practices, and as detailed below:

   a) ESCO Supply Service (ESS)
   A customer taking service under the ESS may switch to the NYSEG Supply Service (NSS).

   NYSEG Supply Service (NSS)
   A customer taking service under the NSS may switch to the ESCO Supply Service (ESS).

   b) Hourly Pricing
   A customer mandatorily participating in Hourly Pricing, who is taking service under the ESS, may switch only to the NYSEG Day-Ahead Market Pricing Option.

   A customer mandatorily participating in Hourly Pricing, who is taking service under the NYSEG Day-Ahead Market Pricing Option, may switch only to ESS.
GENERAL INFORMATION

25. Supply Service Options: (cont’d.)

I. Supply Service Options (cont’d.)

1. Changing Supply Service Options (cont’d.)

2. Process for Changing to a Retail Access Supply Service Option

To effectuate the switch to retail access, the customer’s ESCO must contact NYSEG to submit the customer’s Retail Access enrollment information. Upon NYSEG’s receipt of notice that the customer is enrolling in Retail Access, NYSEG will notify the customer of such enrollment by sending the customer a letter.

3. Process for Changing to a Non-Retail Access Supply Service Option

A customer that is changing from a retail access option to a non-retail access option may do so by first contacting its ESCO to discontinue Retail Access service. (Alternatively, a customer may contact NYSEG directly with its request.)

Upon NYSEG’s receipt of notice from the ESCO that the customer is canceling Retail Access, NYSEG will notify the customer of such cancellation by sending the customer a letter.

4. ESCO Discontinuance of Sales to Individual Customer:

If an ESCO cancels a customer’s Retail Access service, such ESCO must follow the procedures set forth in the UBP Addendum to this Schedule. Upon receipt of the notice of discontinuance from the ESCO, NYSEG will verify this request with the customer by sending a letter to the customer.
25. Supply Service Options: (cont’d.)

I.  Supply Service Options (cont’d.)

   I.  Changing Supply Service Options (cont’d.)

   5. SC 13 or SC 14 Contracts Expiring

      Customers required to take mandatory Hourly Pricing:

      A customer taking service under SC 13 or 14, who would otherwise qualify for mandatory Hourly Pricing, will be billed at Hourly Pricing rates upon expiration of their SC 13 or 14 contract, unless a retail access enrollment is received from an ESCO at least 15 calendar days prior to the contract end date. If such retail access enrollment has been received, the customer will be billed at the ESCO Supply Service (ESS) option effective with the contract end date meter reading.

      Customers not required to take Hourly Pricing:

      If the customer is not required to be served at Hourly Pricing, upon expiration of their SC13 or 14 contract, the customer would be eligible to select a Supply Service Option described in Section 25.I.A. If the customer does not enroll in a Supply Service Option, and no retail access enrollment has been received from an ESCO at least 15 calendar days prior to the contract end date, the customer will be billed at the NYSEG Supply Service (NSS) option effective with the contract end date meter reading.
GENERAL INFORMATION

25. Supply Service Options: (cont’d.)

II. Reserved for Future Use
GENERAL INFORMATION

25. Supply Service Options: (cont’d.)

II. Reserved for Future Use
GENERAL INFORMATION

25. Supply Service Options: (cont’d.)

II. Reserved for Future Use
GENERAL INFORMATION

25. Supply Service Options: (cont’d.)

II. Reserved for Future Use
GENERAL INFORMATION

25. Supply Service Options: (cont’d.)

II. Reserved for Future Use
GENERAL INFORMATION

25. Supply Service Options: (cont’d.)

II. Reserved for Future Use
GENERAL INFORMATION

25. Supply Service Options: (cont’d.)

II. Reserved for Future Use
GENERAL INFORMATION

25. Supply Service Options: (cont’d.)

II. Reserved for Future Use
25. Supply Service Options: (cont’d.)

II. Reserved for Future Use
GENERAL INFORMATION

25. Supply Service Options: (cont’d.)

II. Reserved for Future Use
GENERAL INFORMATION

25. Supply Service Options: (cont’d.)

II. Reserved for Future Use
26. Solar Residential Electric Service Option

A. Applicable To
Any Residential Customer (as defined by HEFPA), and farm customer as defined in Subdivision 11 of Section 301 of the Agriculture and Markets Law, may install and operate solar generating equipment located and used at his or her residence. Solar generating equipment is defined as a solar system, with a rated capacity of not more than 25 kW that is manufactured, installed and operated in accordance with applicable government and industry standards. Farm customers may install solar generating equipment with a rated capacity of not more than 100 kW, that is manufactured, installed and operated in accordance with applicable government and industry standards. Such system must be connected to the customer's electric system and operated in parallel with the Company's transmission and distribution facilities. A customer may include energy storage equipment when submitting an application for net metering pursuant to this Rule.

B. Eligible Capacity
The Solar Residential Service Option shall be available to eligible customers, on a first come, first served basis. The total rated generating capacity for solar, farm waste, MCHP and fuel cell electric generating equipment owned, leased or operated by customer-generators in the Company's service area shall not exceed 98.16 MW, the total rated generating capacity of interconnected projects served by the Company under PSL §66-j as of the close of business on March 9, 2017, including projects to be served by the Company under PSL §66-j for which either Step 8 (for projects greater than 50kW) or Step 4 (for projects 50kW or less) of the Standard Interconnection Requirements (SIR), as applicable, had been completed by the close of business on March 9, 2017. This MW limit shall automatically decrease as projects served under PSL §66-j are taken out of service, but shall not decrease below 28.26 MW, representing 1% of the Company’s electric demand for the year 2005.

C. Term
1. The Company shall calculate credits in accordance with Section 26.F. for the life of the solar generating system for a customer that on or prior to March 9, 2017 has:
   a. completed Step 4 of the SIR Addendum for solar generating equipment less than 50 kW; or
   b. installed solar generating equipment on or prior to March 9, 2017.

A customer may opt to take service under Rule 40, Value of Distributed Energy Resources (VDER). Such election shall be a one-time election and shall be irrevocable.

2. A customer that installs solar generating equipment after March 9, 2017 shall refer to Rule 40, Value of Distributed Energy Resources (VDER), A. Phase One Net Energy Metering (“NEM”) or B. Value Stack, as applicable.

D. Interconnection
Customers electing service under this provision must execute a New York State Standardized Contract for Interconnection of New Distributed Generation Units with Capacity of 5 MW or Less Connected in Parallel with Utility Distribution Systems (“SIR Contract”). In addition, customers must operate in compliance with standards and requirements set forth in the New York State Standard Interconnection Requirements and Application Process for New Distributed Generators 5 MW or Less Connected in Parallel with Utility Distribution Systems, as set forth within Addendum-SIR of P.S.C. No. 119.

E. Metering
For a net metered customer, the Company shall install metering appropriate for the customer’s service classification that enables the Company to measure the electricity delivered to the customer and measure the electricity supplied by the customer to the Company. Where the Company determines that a second meter should be installed, no additional costs shall be billed to the customer. When a second meter is requested by the customer that is not required by the Company, the customer shall be responsible for the cost of the meter, the installation and any additional costs. For a net metered customer with an installation after March 9, 2017, customer shall refer to Rule 40, Value of Distributed Energy Resources (VDER) for metering requirements.
26. Solar Residential Electric Service Option (Cont’d)

F. Billing

1. For each billing period during the term of the SIR Contract, the Company shall net the electricity (kWh) delivered to the customers with the electricity (kWh) supplied by the customer to the Company.

   a) If the electricity (kWh) supplied by the Company exceeds the electricity supplied by the customer to the Company during the billing period the customer shall be billed for the net kWh supplied by the Company to the customer at the standard service class rates. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak or Day/Night, netting shall occur in each time period.

   b) If the electricity (kWh) supplied by the customer to the Company during the billing period exceeds the electricity (kWh) supplied by the Company to the customer, a kWh credit shall be carried forward for the next billing period. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak or Day/Night, the kWh credit shall be carried forward as a credit to the appropriate time period.

   c) For customers billed on TOU rates, if the electricity (kWh) supplied by the customer to the Company is not metered for each TOU period and until such time as metering is installed to measure electricity supplied to the Company in each TOU period, an allocation of the electricity supplied to the Company shall be done according to allocation factors as set forth in a Special Provision provided in each service classification in this Schedule.
26. Solar Residential Electric Service Option (Cont’d.)

F. Billing (Cont’d)

2. Annual Cash Out:

a) Customers with “Existing” solar generating installations:
   At the end of a year, or annualized over the period that service is supplied under this provision, the value of any credit remaining on a customer’s account for excess electricity produced by the customer-generator shall be paid to the customer at the Company’s avoided cost for energy. Payment shall occur in the form of a voucher which shall be issued under authority of Order of the Public Service Commission to the customer-generator, for use in offsetting any of the issuing utility’s bills directed to that customer during the year following the date of the voucher. A customer shall be provided a one-time option to select an individual anniversary date for the annual cash-out of excess net metering credits. The initial cash-out payment shall be equal to the product of excess balance multiplied by the average avoided cost for the energy over the number of months the customer has taken service under this provision.

b) Customers with solar generating installations:
   The value of any credit remaining on a customer’s account for excess electricity produced by the customer-generator shall continue to carry over to the next monthly billing period. At the end of the term as set forth in Section 26.B, any excess credits shall be forfeited.

Upon the Company’s determination that the customer has taken service under this Section 26 while in violation of the conditions of service set forth herein, the customer shall forfeit any positive balance accrued during the annual period in which the violation occurred.

G. Costs

Pursuant to the Standard Interconnection Requirements set forth within Addendum-SIR of P.S.C. No. 119, customers are responsible for providing all meter boxes and sockets. In the event that the Company determines that it is necessary to install a dedicated transformer or transformers, or other equipment to protect the safety and adequacy of electric service provided to other customers, the customer-generator shall pay for the cost of installing the transformer or transformers, or other equipment up to a maximum amount of $350.00. The Company shall not charge any additional solar electric specific interconnection costs incurred by the Company other than $350.00 for dedicated transformers or other equipment, if necessary. Customers are responsible for any costs related to the installation of their solar generating equipment. Notwithstanding the provisions herein, residential solar electric customers are responsible for meeting all otherwise applicable provisions and requirements of P.S.C. Nos. 119 and 120.

H. Special Provisions

Residential customers who own or operate a farm operation (as defined by Agriculture and Markets Law §301(11)), and locate solar photovoltaic equipment on property he or she owns or leases, is eligible for remote net-metering as set forth in Rule 27.H.A.II.
27. Solar Non-Residential Electric Service Option

A. Applicable To
Any Non-Residential Customer who operates solar generating equipment located and used at its premises. Solar generating equipment is defined as a solar system that is manufactured, installed and operated in accordance with applicable government and industry standards with a rated capacity of not more than 2,000 kW. Such system must be connected to the customer's electric system and operated in parallel with the Company’s transmission and distribution facilities. A customer may include energy storage equipment when submitting an application for net metering pursuant to this Rule.

B. Eligible Capacity
The Solar Non-Residential Service Option shall be available to eligible customers, on a first come, first served basis, until the total rated generating capacity for solar, farm waste, MCHP and fuel cell electric generating equipment owned, leased or operated by customer-generators in the Company's service area shall not exceed 98.16 MW, the total rated generating capacity of interconnected projects served by the Company under PSL §66-j as of the close of business on March 9, 2017, including projects to be served by the Company under PSL §66-j for which either Step 8 (for projects greater than 50kW) or Step 4 (for projects 50kW or less) of the Standard Interconnection Requirements (SIR), as applicable, had been completed by the close of business on March 9, 2017. This MW limit shall automatically decrease as projects served under PSL §66-j are taken out of service, but shall not decrease below 28.26 MW, representing 1% of the Company’s electric demand for the year 2005.

C. Term
1. The Company shall calculate credits in accordance with Section 27.F. for the life of the solar generating system for a customer that on or prior to March 9, 2017 has:
   a. completed Step 4 of the SIR Addendum for solar generating equipment less than 50 kW; or
   b. completed Step 8 of the SIR Addendum for solar generating equipment larger than 50 kW; or
   c. installed solar generating equipment on or prior to March 9, 2017.

   A customer may opt to take service under Rule 40, Value of Distributed Energy Resources (VDER). Such election shall be a one-time election and shall be irrevocable.

2. A customer that installs solar generating equipment after March 9, 2017 shall refer to Rule 40, Value of Distributed Energy Resources (VDER), A. Phase One Net Energy Metering (“NEM”) or B. Value Stack, as applicable.

D. Interconnection
Customers electing service under this provision must execute a New York State Standardized Contract for Interconnection of New Distributed Generation Units with Capacity of 5 MW or Less Connected in Parallel with Utility Distribution Systems (“SIR Contract”). In addition, customers must operate in compliance with standards and requirements set forth in the New York State Standard Interconnection Requirements and Application Process for New Distributed Generators 5 MW or Less Connected in Parallel with Utility Distribution Systems, as set forth within Addendum-SIR of P.S.C. No. 119.
27. Solar Non-Residential Electric Service Option (Cont’d)

E. Metering
For a net metered customer with an installation on or prior to March 9, 2017, the Company shall install metering appropriate for the customer’s service classification that enables the Company to measure the electricity delivered to the customer and measure the electricity supplied by the customer to the Company. Where the Company determines that a second meter should be installed, no additional costs shall be billed to the customer. When a second meter is requested by the customer that is not required by the Company, the customer shall be responsible for the cost of the meter, the installation and any additional costs. For a net metered customer with an installation after March 9, 2017, the customer shall refer to Rule 40 Value of Distributed Energy Resources (DER) for metering requirements.

F. Billing
For each billing period during the term of the SIR Contract, the Company shall net the electricity (kWh) delivered to the customers with the electricity (kWh) supplied by the customer to the Company.

Non-Hourly Pricing
a) If the electricity (kWh) supplied by the Company exceeds the electricity supplied by the customer to the Company during the billing period, the customer shall be billed for the net kWh supplied by the Company to the customer at the standard service class rates. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak or Day/Night, netting shall occur in each time period.

b) If the electricity (kWh) supplied by the customer to the Company during the billing period exceeds the electricity (kWh) supplied by the Company to the customer, a kWh credit shall be carried forward for the next billing period. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak or Day/Night, the kWh credit shall be carried forward as a credit to the appropriate time period.

c) For demand-billed customers, prior to carrying forward any kWh credit, the kWhs shall be converted to a dollar value using the applicable tariff per kWh rate and applied as a credit to the current utility bill. If the dollar value of the kWh exceeds the current utility bill, any remaining dollars shall be converted back to kWhs and carried forward for the next billing period as a kWh credit.

d) For customers billed on TOU rates, if the electricity (kWh) supplied by the customer to the Company is not metered for each TOU period and until such time as metering is installed to measure electricity supplied to the Company in each TOU period, an allocation of the electricity supplied to the Company shall be done according to allocation factors as set forth in a Special Provision provided in each service classification in this Schedule.

Hourly Pricing
a) For customers billed on Hourly Pricing, for each hour, the customer’s usage and its generation are netted within the hour.

b) Kilowatt-hour charges are calculated using the consumption in each hour in which the customer’s usage exceeds the customer’s generation multiplied by the applicable charge.

c) For each hour the electricity generated and supplied by the customer exceeds the customer’s usage, the kWh difference is multiplied by the applicable tariff per kWh rates (e.g., Energy Charge, Supply Charge, Merchant Function Charge, Ancillary & NTAC, transmission project costs allocated to the Company under the NYISO tariff as approved by FERC, SBC, RDM, and Supply Adjustment Charge,). This is the current month’s excess monetary credit.

d) The excess monetary credit from the current and/or prior bill periods is applied to the current utility bill. If the excess monetary credit exceeds the current utility bill, the monetary credit is carried forward to the next billing period.

Upon the Company’s determination that the customer has taken service under this Section 27 while in violation of the conditions of service set forth herein, the customer shall forfeit any positive balance accrued in its Credit Account during the annual period in which the violation occurred.

G. Costs
Pursuant to the Standard Interconnection Requirements set forth within Addendum-SIR of P.S.C. No. 119, customers are responsible for providing all meter boxes and sockets. In the event that the Company determines that it is necessary to install a dedicated transformer or transformers, or other equipment to protect the safety and adequacy of electric service provided to other customers, a customer-generator with a combined rating less than 25 kW shall pay for the cost of installing such transformer(s) or other equipment, up to a maximum amount of $350. A customer-generator with a combined rating equal to or greater than 25 kW shall pay for the cost of installing the transformer(s) or other equipment. Notwithstanding the provisions herein, non-residential solar electric customers are responsible for meeting all otherwise applicable provisions and requirements of P.S.C. Nos. 119 and 120.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
GENERAL INFORMATION

27. Solar Non-Residential Electric Service Option (Cont’d)
   H. Special Provision
      A. Remote Net Metering
         I. Definitions
            Host Account: The customer meter where the solar generating equipment is located and interconnected with the Company’s distribution system.

            Satellite Accounts: Additional meters designated by the Host Account, with the same name on the account, for the application of excess net metering credits.

            Net-Metered Generation Facility: A generation facility eligible for net metering in conformance with PSL 66-j or 66-l, limited in size consistent with those statutes, located behind the meter of the Host Account attached to a load served under one of the Company’s service classifications.

            Excess Generation: the electricity (kWh) supplied by the customer to the Company during the billing period exceeds the electricity (kWh) supplied by the Company to the customer. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak, the excess is calculated and maintained for each peak.

         II. Customer Requirements and Eligibility
            A customer participating in Solar Non-Residential Electric Service Option may designate all or a portion of the excess credit, after application to the Host Account, to Satellite Accounts at any property owned or leased by such customer within the same load zone as determined by the Locational Based Market Price. This shall be completed on a form when submitting their initial remote net metering application. A customer applying for Remote Net Metering is subject to the same Term and Metering requirements set forth in Section 27.C and 27.E.

            A. Host Account(s)
               A customer may designate more than one Host Account and shall provide an application for each Host Account. The Host Accounts must be held by the same customer and have an identical billing name, on property owned or leased by such customer. A Host Account cannot be a Satellite Account.

               a. A demand billed customer that applies for Remote Net Metering as a Host Account shall receive monetary credits calculated pursuant to Section IV.b. Application of Monetary Credits.

               b. A non-demand billed customer that applies for Remote Net Metering as a Host Account shall receive volumetric per kWh credits calculated pursuant to Section IV.c. Application of Volumetric kWh Credits, except for those projects that meet the Grandfathering Requirements:

                  Grandfathering Requirements:
                  Net metered projects, under Public Service Law §66-j, meeting the following criteria and conditions shall be allowed to retain monetary crediting per Section IV.b, at qualifying remote net metered locations.

                  1) By June 1, 2015:
                     i. Projects that have been interconnected; or
                     ii. Projects for which developers have submitted a completed interconnection application to the relevant utility; or
                     iii. Projects that have completed applications for grants through Program Opportunity Notices (PONs) 2112, 2439, 2589, 2860, and 2956 conducted by the New York State Energy and Research Development Authority (NYSERDA) or the Request for Proposals (RFP) process conducted by New York City for development of renewable facilities at the Freshkills Landfill; or,
                     iv. Projects that have completed applications for grants in NYSERDA’s NY-Sun MW Block Program for projects sized at more than 200 kW; or
                     v. Projects that a State, municipal, district, or local governmental entity has solicited through a Request for Proposals or a Request for Information issued in conformance with applicable law.

                  2) To retain the monetary crediting, a project must enter service by the date specified in the NYSERDA PONs in 1),iii or NY-Sun MW Block Program for projects sized at more than 200 kW, 1).iv, or another governmental entity process, as that date may be extended by the relevant governmental entity, or by December 31, 2017 if no date is specified by a governmental entity
27. Solar Non-Residential Electric Service Option (Cont’d)
   H. Special Provisions (Cont’d)
      A. Remote Net Metering
      II. Customer Requirements and Eligibility (Cont’d)
         3) If a project is unable to meet the in-service date of December 31, 2017, and meets the following criteria and conditions, the project shall be allowed to retain monetary crediting:
            a) the customer has provided payment, prior to March 1, 2016, for a Coordinated Electric System Interconnection Review (CESIR) study;
            b) the customer has demonstrated that, upon receipt of the CESIR study results, the estimated construction schedule indicates a final authorization to interconnect on or after July 1, 2017;
            c) the customer has made payment, of the full or at least the first installment amount, for the estimated interconnection costs necessary to support the project, by January 31, 2017; and,
            d) the customer has, by November 30, 2017, submitted an affidavit from the engineer of record for the project, attesting that substantially all of the equipment on the end-use customer’s side of interconnection point has been physically constructed and that the only remaining requirements to interconnect the equipment depend upon the Company, such as Company construction and/or authorization to interconnect.

         4) Monetary credits shall remain in effect for a term of 25 years from the later of: April 17, 2015 or the project in-service date.
27. Solar Non-Residential Electric Service Option (Cont’d)
H. Special Provisions (Cont’d)
   A. Remote Net Metering (Cont’d)

II. Customer Requirements and Eligibility (Cont’d)

B. Satellite Accounts
   a. Must be held by the same customer and have an identical billing name, on property owned or
      leased by such customer.
   b. The Company reserves the right to investigate/obtain proof that all designated accounts are
      held by the customer.
   c. A Satellite Account may have more than one Host Account. The name plate rating of the Net
      Metered Generation Facility(ies) designated as Host Accounts to be applied to a Satellite
      Account shall not exceed 2 MW in aggregate, including the name plate rating of a Net
      Metered Generation Facility located at the Satellite Account.
   d. A non-metered account may qualify as a Satellite Account if the Host Account is being
      compensated based on a monetary crediting methodology pursuant to Rule 40, Value of
      Distributed Energy Resources (“VDER”).

III. Enrollment and Change Period
After the customer's initial application, the enrollment and change period is from January 1 through January
31. Any changes shall be effective with the initial Host Account billing after March 1.

Remote Net Metering customers may submit a change request form annually during the change period to
designate additional Satellite Accounts or delete existing active Satellite Accounts. The customer may also
change the portion (percentage) of excess to remain at the Host Account once per year.

IV. Calculation and Application of Net Metering Credits
   a. If more than one Host Account is designated by the customer and there is excess generation from more
      than one Host Account, the Company shall apply credits from the Host Accounts to the Satellite
      Accounts in the following order:
      i. Grandfathered or Demand-billed Host Accounts participating in Farm Waste (Facility
         Located and Used for Farm Operations) or Farm Wind Electric Service Options;
      ii. Grandfathered or Demand-billed Host Accounts participating in Non-Residential Solar,
         Non-Residential Wind, or Micro-Hydroelectric Service Options;
      iii. Host Account participating in Fuel Cell or Farm Waste (Facility Located and Used at
         Premises) Service Options;
      iv. Any other non-demand-billed Host Accounts.

   b. Application of Monetary Credits
      Host Account:
      In a month where the Host Account has Excess Generation, the Excess Generation shall be converted to
      the equivalent monetary value at the per kWh rate applicable to the Host Account’s service
      classification. The remote net metering credit shall first be applied to any outstanding charges on the
      Host Account’s current electric bill.

      For Non-hourly Pricing customers, remote net metering credits shall be defined as the Excess
      Generation multiplied by the Host Account’s applicable tariff per kWh rates. For Hourly Pricing
      customers, as defined under Billing for Hourly Pricing customers, remote net metering credits shall be
      defined as the excess monetary credit.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
Satellite Accounts:
Any remaining monetary credit from the Host shall be allocated to each Satellite Account in accordance with the Host Account designation pursuant to Section II. The portion designated for the Satellite Accounts shall be applied to the Satellite Account bill as each subsequent Satellite Account bill is calculated. If a monetary credit remains after applying credits to all designated Satellite Accounts, the credit shall be carried forward on the Host Account and the allocation process between Host and Satellite Accounts shall repeat until the value of the excess credit is zero, or until all associated accounts are finaled. In the case of two Satellite Accounts billed on the same day, the excess credit shall be applied to the highest usage account first.

The credit applied to each Host or Satellite Account shall not exceed the current electric delivery charges, and if applicable, Company supply charges.

c. Application of Volumetric kWh Credits:

As each Satellite Account is billed, Excess Generation designated to the Satellite Account is converted to a monetary credit and applied to the per kWh charges on the Satellite Account. Monetary credits are calculated using the per kWh rate for the Service Classification applicable to the Satellite Account. If a credit remains after applying to the Satellite Account, the credit is converted back to kWh based on the per kWh rate for the Service Classification applicable to the Satellite Account and the kWh are transferred to the Host Account. This process between Host and Satellite Accounts shall repeat until the value of the excess credit is zero, or until all the Satellite Accounts have been billed. Any remaining kWh credits shall be carried forward on the Host Account to the following month.

In the case of two Satellite Accounts billed on the same day, the excess credit shall be applied to the highest usage account first.

The credit applied to each Satellite Account shall not exceed the current per kWh electric delivery charges, and if applicable, Company supply charges.

d. Upon the Company’s determination that the customer has taken service under this Section 27 while in violation of the conditions of service set forth in this Schedule, the customer shall forfeit any positive balance accrued during the annual period in which the violation occurred.

V. Host Account Closure
Any remaining excess credits shall not be cashed out or transferred.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
PSC No: 120 - Electricity
New York State Electric and Gas Corporation
Initial Effective Date: January 17, 2018
Issued in compliance with Order in Case No. 09-M-0311, dated 12/19/17.

GENERAL INFORMATION

28. Reserved for Future Use
29. Micro-combined Heat and Power (MCHP) Service Option

A. Applicable To
Any Residential Customer (as defined by HEFPA) who owns, leases or operates MCHP generating equipment. MCHP generating equipment is defined as an integrated, cogenerating building heating and electrical power generation system, operating on any fuel and of any applicable engine, fuel cell, or other technology, with a rated capacity of at least one kW and not more than 10 kW electric and any thermal output that at full load has a design total fuel use efficiency in the production of heat and electricity of not less than 80%, and annually produces at least 2,000 kWh of useful energy in the form of electricity that may work in combination with supplemental or parallel conventional heating systems, that is manufactured, installed and operated in accordance with applicable government and industry standards, that is connected to the electric system and operated in conjunction with an electric company's transmission and distribution facilities. Such system must be connected to the customer's electric system and operated in parallel with the Company's transmission and distribution facilities. A customer may include energy storage equipment when submitting an application for net metering pursuant to this Rule.

B. Eligible Capacity
The MCHP Service Option shall be available to eligible customers, on a first come, first served basis. The total rated generating capacity for solar, farm waste, MCHP and fuel cell electric generating equipment owned, leased or operated by customer-generators in the Company's service area shall not exceed 98.16 MW, the total rated generating capacity of interconnected projects served by the Company under PSL §66-j as of the close of business on March 9, 2017, including projects to be served by the Company under PSL §66-j for which either Step 8 (for projects greater than 50kW) or Step 4 (for projects 50kW or less) of the Standard Interconnection Requirements (SIR), as applicable, had been completed by the close of business on March 9, 2017. This MW limit shall automatically decrease as projects served under PSL §66-j are taken out of service, but shall not decrease below 28.26 MW, representing 1% of the Company’s electric demand for the year 2005.

C. Term
1. The Company shall calculate credits in accordance with Section 29.F. for the life of the MCHP generating system for a customer that on or prior to March 9, 2017 has:
   a. completed Step 4 of the SIR Addendum for MCHP generating equipment less than 50 kW; or
   b. installed MCHP generating equipment or on or prior to March 9, 2017.

   A customer may opt to take service under Rule 40, Value of Distributed Energy Resources (VDER). Such election shall be a one-time election and shall be irrevocable.

2. A customer that installs MCHP generating equipment after March 9, 2017 shall refer to Rule 40, Value of Distributed Energy Resources (VDER). A. Phase One Net Energy Metering (“NEM”) or B. Value Stack, as applicable.

D. Interconnection
Customers electing service under this provision must execute a New York State Standardized Contract for Interconnection of New Distributed Generation Units with Capacity of 5 MW or Less Connected in Parallel with Utility Distribution Systems (“SIR Contract”). In addition, customers must operate in compliance with standards and requirements set forth in the New York State Standard Interconnection Requirements and Application Process for New Distributed Generators 5 MW or Less Connected in Parallel with Utility Distribution Systems, as set forth within Addendum-SIR of P.S.C. No. 119.

E. Metering
For a net metered customer, the Company shall install metering appropriate for the customer’s service classification that enables the Company to measure the electricity delivered to the customer and measure the electricity supplied by the customer to the Company. Where the Company determines that a second meter should be installed, no additional costs shall be billed to the customer. When a second meter is requested by the customer that is not required by the Company, the customer shall be responsible for the cost of the meter, the installation and any additional costs. For a net metered customer with an installation after March 9, 2017, customer shall refer to Rule 40, Value of Distributed Energy Resources (VDER) for metering requirements.
F. Billing

For each billing period during the term of the SIR Contract, the Company shall net the electricity (kWh) delivered to the customers with the electricity (kWh) supplied by the customer to the Company.

1. If the electricity (kWh) supplied by the Company exceeds the electricity supplied by the customer to the Company during the billing period the customer shall be billed for the net kWh supplied by the Company to the customer at the standard service class rates. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak or Day/Night, netting shall occur in each time period.

2. If the electricity (kWh) supplied by the customer to the Company during the billing period exceeds the electricity (kWh) supplied by the Company to the customer, the Company shall provide a credit on the next bill for net electricity supplied at the Company’s avoided cost Service Classification 10 energy rate. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak or Day/Night, the kWh credit shall be a credit for the appropriate time period.
GENERAL INFORMATION

29. Micro-combined Heat and Power (MCHP) Service Option (Cont’d)

F. Billing (Cont’d)
Upon the Company’s determination that the customer has taken service under this Section while in violation of the conditions of service set forth herein, the customer shall forfeit any positive balance accrued during the period in which the violation occurred.

G. Costs
Pursuant to the Standard Interconnection Requirements set forth within Addendum-SIR of P.S.C. No. 119, customers are responsible for providing all meter boxes and sockets. In the event that the Company determines that it is necessary to install a dedicated transformer or transformers, or other equipment to protect the safety and adequacy of electric service provided to other customers, the customer-generator shall pay for the cost of installing the transformer or transformers, or other equipment up to a maximum amount of $350.00. The Company shall not charge any additional MCHP electric specific interconnection costs incurred by the Company other than $350.00 for dedicated transformers or other equipment, if necessary. Customers are responsible for any costs related to the installation of their solar generating equipment. Notwithstanding the provisions herein, residential MCHP electric customers are responsible for meeting all otherwise applicable provisions and requirements of P.S.C. Nos. 119 and 120.
30. Fuel Cell Electric Service Option

A. Residential Service Option

1. Applicable To

Any Residential Customer (as defined by HEFPA) who owns, leases or operates fuel cell generating equipment located and used at his or her residence. Fuel cell generating equipment is defined as a solid oxide, molten carbonate, proton exchange membrane or phosphoric acid fuel cell with a combined rated capacity of not more than 10 kW; that is manufactured, installed and operated in accordance with applicable government and industry standards. Such system must be connected to the customer's electric system and operated in conjunction with the Company's transmission and distribution facilities, and that is operated in compliance with standards and requirements established under this section. A customer may include energy storage equipment when submitting an application for net metering pursuant to this Rule.

2. Eligible Capacity

The Fuel Cell Electric Service Option shall be available to eligible customers, on a first come, first served basis. The total rated generating capacity for solar, farm waste, MCHP and fuel cell electric generating equipment owned, leased or operated by customer-generators in the Company's service area shall not exceed 98.16 MW, the total rated generating capacity of interconnected projects served by the Company under PSL §66-j as of the close of business on March 9, 2017, including projects to be served by the Company under PSL §66-j for which either Step 8 (for projects greater than 50kW) or Step 4 (for projects 50kW or less) of the Standard Interconnection Requirements (SIR), as applicable, had been completed by the close of business on March 9, 2017. This MW limit shall automatically decrease as projects served under PSL §66-j are taken out of service, but shall not decrease below 28.26 MW, representing 1% of the Company’s electric demand for the year 2005.

3. Term

a. The Company shall calculate credits in accordance with Section 30.A.6. for the life of the fuel cell generating system for a customer that on or prior to March 9, 2017 has:
   i. completed Step 4 of the SIR Addendum for fuel cell generating equipment less than 50 kW; or
   ii. installed fuel cell generating equipment on or prior to March 9, 2017.

A customer may opt to take service under Rule 40, Value of Distributed Energy Resources (VDER). Such election shall be a one-time election and shall be irrevocable.

b. A customer that installs fuel cell generating equipment after March 9, 2017 shall refer to Rule 40, Value of Distributed Energy Resources (VDER), A. Phase One Net Energy Metering (“NEM”) or B. Value Stack, as applicable.

4. Interconnection

Customers electing service under this provision must execute a New York State Standardized Contract for Interconnection of New Distributed Generation Units with Capacity of 5 MW or Less Connected in Parallel with Utility Distribution Systems (“SIR Contract”). In addition, customers must operate in compliance with standards and requirements set forth in the New York State Standard Interconnection Requirements and Application Process for New Distributed Generators 5 MW or Less Connected in Parallel with Utility Distribution Systems, as set forth within Addendum-SIR of P.S.C. No. 119.

5. Metering

For a net metered customer, the Company shall install metering appropriate for the customer’s service classification that enables the Company to measure the electricity delivered to the customer and measure the electricity supplied by the customer to the Company. Where the Company determines that a second meter should be installed, no additional costs shall be billed to the customer. When a second meter is requested by the customer that is not required by the Company, the customer shall be responsible for the cost of the meter, the installation and any additional costs. For a net metered customer with an installation after March 9, 2017, customer shall refer to Rule 40, Value of Distributed Energy Resources (VDER) for metering requirements.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
30. Fuel Cell Electric Service Option (Cont'd)

A. Residential Service Option (Cont’d)

6. Billing
   For each billing period during the term of the SIR Contract, the Company shall net the electricity (kWh) delivered to the customers with the electricity (kWh) supplied by the customer to the Company.
   a. If the electricity (kWh) supplied by the Company exceeds the electricity supplied by the customer to the Company during the billing period the customer shall be billed for the net kWh supplied by the Company to the customer at the standard service class rates. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak or Day/Night, netting shall occur in each time period.
   b. If the electricity (kWh) supplied by the customer to the Company during the billing period exceeds the electricity (kWh) supplied by the Company to the customer, the Corporation shall provide a credit on the next bill for net electricity supplied at the Corporation’s avoided cost Service Classification 10 energy rate. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak or Day/Night, the kWh credit shall be a credit for the appropriate time period.
30. Fuel Cell Electric Service Option (cont’d.)

A. Residential Electric Service Option (Cont’d)

6. Billing (Cont’d)

Upon the Company’s determination that the customer has taken service under this Section while in violation of the conditions of service set forth herein, the customer shall forfeit any positive balance accrued during the annual period in which the violation occurred.

7. Costs

Pursuant to the Standard Interconnection Requirements set forth within Addendum-SIR of P.S.C. No. 119, customers are responsible for providing all meter boxes and sockets. In the event that the Company determines that it is necessary to install a dedicated transformer or transformers, or other equipment to protect the safety and adequacy of electric service provided to other customers, the customer-generator shall pay for the cost of installing the transformer or transformers, or other equipment up to a maximum amount of $350.00. The Company shall not charge any additional fuel cell electric specific interconnection costs incurred by the Company other than $350.00 for dedicated transformers, or other equipment, if necessary. Customers are responsible for any costs related to the installation of their fuel cell generating equipment. Notwithstanding the provisions herein, residential fuel cell electric customers are responsible for meeting all otherwise applicable provisions and requirements of P.S.C. Nos. 119 and 120.

8. Special Provision

A Residential customer who own or operate a farm operation (as defined by Agriculture and Markets Law §301(11)), and locates fuel cell generating equipment on property he or she owns or leases, is eligible for remote net-metering as set forth in Rule 30.B.8.A.II.

B. Non-Residential Electric Service Option

1. Applicable To

Any Non-Residential Customer who owns, leases or operates fuel cell generating equipment located and used at their premises. Fuel cell generating equipment is defined as a solid oxide, molten carbonate, proton exchange membrane or phosphoric acid fuel cell with a combined rated capacity of not more than 2,000 kW that is manufactured, installed and operated in accordance with applicable government and industry standards. Such system must be connected to the customer's electric system and operated in accordance with applicable government and industry standards, that is connected to the electric system and operated in conjunction with the Company's transmission and distribution facilities, and that is operated in compliance with any standards and requirements established under this section. A customer may include energy storage equipment when submitting an application for net metering pursuant to this Rule.

2. Eligible Capacity

The Fuel Cell Non-Residential Service Option shall be available to eligible customers, on a first come, first served basis, until the total rated generating capacity for solar, farm waste, MCHP and fuel cell electric generating equipment owned, leased or operated by customer-generators in the Company's service area shall not exceed 98.16 MW, the total rated generating capacity of interconnected projects served by the Company under PSL §66-j as of the close of business on March 9, 2017, including projects to be served by the Company under PSL §66-j for which either Step 8 (for projects greater than 50kW) or Step 4 (for projects 50kW or less) of the Standard Interconnection Requirements (SIR), as applicable, had been completed by the close of business on March 9, 2017. This MW limit shall automatically decrease as projects served under PSL §66-j are taken out of service, but shall not decrease below 28.26 MW, representing 1% of the Company’s electric demand for the year 2005.

3. Term

A. The Company shall calculate credits in accordance with Section 30.B.6. for the life of the fuel cell generating system for a customer that on or prior to March 9, 2017 has:

a. completed Step 4 of the SIR Addendum for fuel cell generating equipment less than 50 kW; or
b. completed Step 8 of the SIR Addendum for fuel cell generating equipment larger than 50 kW; or

c. installed fuel cell generating equipment on or prior to March 9, 2017.

A customer may opt to take service under Rule 40, Value of Distributed Energy Resources (VDER). Such election shall be a one-time election and shall be irrevocable.

B. A customer that installs fuel cell generating equipment after March 9, 2017 shall refer to Rule 40, Value of Distributed Energy Resources (VDER), A. Phase One Net Energy Metering (“NEM”) or B. Value Stack, as applicable.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
30. Fuel Cell Electric Service Option (Cont’d)
B. Non-Residential Electric Service Option (Cont’d)
4. Interconnection
   Customers electing service under this provision must execute a New York State Standardized Contract for Interconnection of New Distributed Generation Units with Capacity of 5 MW or Less Connected in Parallel with Utility Distribution Systems (“SIR Contract”). In addition, customers must operate in compliance with standards and requirements set forth in the New York State Standard Interconnection Requirements and Application Process for New Distributed Generators 5 MW or Less Connected in Parallel with Utility Distribution Systems, as set forth within Addendum-SIR of P.S.C. No. 119.

5. Metering
   For a net metered customer with an installation on or prior to March 9, 2017, the Company shall install metering appropriate for the customer’s service classification that enables the Company to measure the electricity delivered to the customer and measure the electricity supplied by the customer to the Company. Where the Company determines that a second meter should be installed, no additional costs shall be billed to the customer. When a second meter is requested by the customer that is not required by the Company, the customer shall be responsible for the cost of the meter, the installation and any additional costs. For a net metered customer with an installation on or prior to March 9, 2017, the Company shall install metering appropriate for the customer’s service classification that enables the Company to measure the electricity delivered to the customer and measure the electricity supplied by the customer to the Company.

6. Billing
   For each billing period during the term of the SIR Contract, the Company shall net the electricity (kWh) delivered to the customers with the electricity (kWh) supplied by the customer to the Company.

Non-Hourly Pricing
   a) If the electricity (kWh) supplied by the Company exceeds the electricity supplied by the customer to the Company during the billing period, the customer shall be billed for the net kWh supplied by the Company to the customer at the standard service class rates. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak, netting shall occur in each time period.
   b) If the electricity (kWh) supplied by the customer to the Company during the billing period exceeds the electricity (kWh) supplied by the Company to the customer, the Company shall provide a credit on the next bill for net electricity supplied at the Company’s Service Classification No. 10 Buy-back Service energy only rate. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak, the kWh credit shall be a credit for the appropriate time period.

Hourly Pricing
   a) For customers billed on Hourly Pricing, for each hour, the customer’s usage and its generation are netted within the hour.
   b) Kilowatt-hour charges are calculated using the consumption in each hour in which the customer’s usage exceeds the customer’s generation multiplied by the applicable charge.
   c) For each hour the electricity generated and supplied by the customer exceeds the customer’s usage, the kWh difference is multiplied by the Company’s Service Classification No. 10 Buy-Back Service energy only rate.
   d) The excess monetary credit from the current and/or prior bill period(s) is applied to the current utility bill. If the excess monetary credit exceeds the current utility bill, the monetary credit is carried forward to the next billing period.
GENERAL INFORMATION

30. Fuel Cell Electric Service Option (cont’d)
B. Non-Residential Electric Service Option (cont’d)
   6. Billing (Cont’d)
       Upon the Company’s determination that the customer has taken service under this Section while in violation of the conditions of service set forth herein, the customer shall forfeit any positive balance accrued during the annual period in which the violation occurred.

7. Costs
   Pursuant to the Standard Interconnection Requirements set forth within Addendum-SIR of P.S.C. No.119, customers are responsible for providing all meter boxes and sockets. In the event that the Company determines that it is necessary to install a dedicated transformer or transformers, or other equipment to protect the safety and adequacy of electric service provided to other customers, a customer generator shall pay for the cost of installing the transformer(s), or other equipment. Customers are responsible for any costs related to the installation of their fuel cell generating equipment. Notwithstanding the provisions herein, non-residential fuel cell electric customers are responsible for meeting all otherwise applicable provisions and requirements of P.S.C. Nos. 119 and 120.

   A. Remote Net Metering
      I. Definitions
         Host Account: The customer meter where the fuel cell generating equipment is located and interconnected with the Company’s distribution system.

         Satellite Accounts: Additional meters designated by the Host Account, with the same name on the account, for the application of excess net metering credits.

         Net-Metered Generation Facility: A generation facility eligible for net metering in conformance with PSL 66-j or 66-l, limited in size consistent with those statutes, located behind the meter of the Host Account and attached to a load served under one of the Company’s service classifications.

         Excess Generation: the electricity (kWh) supplied by the customer to the Company during the billing period exceeds the electricity (kWh) supplied by the Company to the customer.

   II. Customer Requirements and Eligibility
      A customer participating in Fuel Cell Non-Residential Electric Service Option may designate all or a portion of the excess credit, after application to the Host Account, to Satellite Accounts at any property owned or leased by such customer within the same load zone as determined by the Locational Based Market Price. This shall be completed on a form when submitting their initial remote net metering application. A customer applying for Remote Net Metering is subject to the same term and metering requirements set forth in Rules 30.B.3 and 30.B.5.

      A. Host Account(s)
         A customer may designate more than one Host Account and shall provide an application for each Host Account. The Host Accounts must be held by the same customer and have an identical billing name, on property owned or leased by such customer. A Host Account cannot be a Satellite Account.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
GENERAL INFORMATION

Reserved for Future Use

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
30. Fuel Cell Electric Service Option (cont’d)

B. Non-Residential Electric Service Option (cont’d)
   8. Special Provision
      A. Remote Net Metering (cont’d)
         B. Satellite Accounts
            i. Must be held by the same customer and have an identical billing name, on property owned
               or leased by such customer.
            ii. The Company reserves the right to investigate/obtain proof that all designated accounts
                are held by the customer.
            iii. A Satellite Account may have more than one Host Account. The name plate rating of the
                 Net Metered Generation Facility(ies) designated as Host Accounts to be applied to a
                 Satellite Account shall not exceed 2 MW in aggregate, including the name plate rating of
                 a Net Metered Generation Facility located at the Satellite Account.
            iv. A non-metered account may qualify as a Satellite Account if the Host Account is being
                compensated based on a monetary crediting methodology pursuant to Rule 40, Value of
                Distributed Energy Resources (“VDER”).

III. Enrollment and Change Period
     After the customer’s initial application, the enrollment and change period is from January 1 through
     January 31. Any changes shall be effective with the initial Host Account billing after March 1.

     Remote Net Metering customers may submit a change request form annually during the change period
     to designate additional Satellite Accounts or delete existing active Satellite Accounts. The customer
     may also change the portion (percentage) of excess to remain at the Host Account once per year.

IV. Calculation and Application of Net Metering Credits
   A. If more than one Host Account is designated by the customer and there is excess generation from more
      than one Host Account, the Company shall apply credits from the Host Accounts to the Satellite
      Accounts in the following order:
         i. Grandfathered or Demand-billed Host Accounts participating in Farm Waste (Facility
            Located and Used for Farm Operations) or Farm Wind Electric Service Options;
         ii. Grandfathered or Demand-billed Host Accounts participating in Non-Residential Solar,
             Non-Residential Wind, or Micro-Hydroelectric Service Options;
         iii. Host Account participating in Fuel Cell or Farm Waste (Facility Located and Used at
              Premises) Service Options;
         iv. Any other non-demand-billed Host Accounts.

   B. Application of Credits to Host Account:
      In a month where the Host Account has Excess Generation, the Excess Generation shall be
      converted to the equivalent monetary value at the Company’s Service Classification No.10 Buy
      Back Service Energy only rate. The remote net metering credit shall first be applied to any
      outstanding charges on the Host Account's current electric bill in accordance with Section 30.B.6.
      Billing.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
30. Fuel Cell Electric Service Option (cont’d)

B. Non-Residential Electric Service Option (cont’d)
   8. Special Provision (cont’d)
      A. Remote Net Metering (cont’d)
      IV. Calculation and Application of Net Metering Credits (cont’d)

C. Application of Credits to Satellite Accounts:
   Any remaining monetary credit from the Host shall be allocated to each Satellite Account in accordance with the Host Account designation pursuant to Section 30.B.4.II.A. The portion designated for the Satellite Accounts shall be applied to the Satellite Account bills as each subsequent Satellite Account bill is calculated. If a monetary credit remains after applying credits to all designated Satellite Accounts, the credit shall be carried forward on the Host Account and the allocation process between Host and Satellite Accounts shall repeat until the value of the excess credit is zero, or until all associated accounts are finaled.

D. Upon the Company’s determination that the customer has taken service under this Section 30 while in violation of the conditions of service set forth in this Schedule, the customer shall forfeit any positive balance accrued during the annual period in which the violation occurred.

V. Host Account Closure
   Any remaining excess credits shall not be cashed out or transferred.

31. Micro-Hydroelectric Service Option

A. Residential

1. Applicable To
   Any Residential Customer (as defined by HEFPA) who owns or operates micro-hydroelectric generating equipment located and used at their residence. Micro-hydroelectric generating equipment is defined as a hydroelectric system with a rated capacity of not more than 25 kW; that is manufactured, installed and operated in accordance with applicable government and industry standards. Such system must be connected to the customer’s electric system and operated in accordance with applicable government and industry standards, that is connected to the electric system and operated in conjunction with an electric corporation's transmission and distribution facilities, and that is operated in compliance with any standards and requirements established under this section. A customer may include energy storage equipment when submitting an application for net metering pursuant to this Rule.

2. Eligible Capacity
   The Micro-Hydroelectric Residential Service Option shall be available to eligible customers, on a first come, first served basis. The total rated generating capacity for solar, farm waste, MCHP and fuel cell electric generating equipment owned, leased or operated by customer-generators in the Company's service area shall not exceed 98.16 MW, the total rated generating capacity of interconnected projects served by the Company under PSL §66-j as of the close of business on March 9, 2017, including projects to be served by the Company under PSL §66-j for which either Step 8 (for projects greater than 50kW) or Step 4 (for projects 50kW or less) of the Standard Interconnection Requirements (SIR), as applicable, had been completed by the close of business on March 9, 2017. This MW limit shall automatically decrease as projects served under PSL §66-j are taken out of service, but shall not decrease below 28.26 MW, representing 1% of the Company’s electric demand for the year 2005.

3. Term
   a. The Company shall calculate credits in accordance with Section 31.A.6. for the life of the micro-hydroelectric generating system for a customer that on or prior to March 9, 2017 has:
      i. completed Step 4 of the SIR Addendum for micro-hydroelectric generating equipment less than 50 kW; or
      ii. installed micro-hydroelectric generating equipment on or prior to March 9, 2017.

      A customer may opt to take service under Rule 40, Value of Distributed Energy Resources (VDER). Such election shall be a one-time election and shall be irrevocable.

   b. A customer that installs micro-hydroelectric generating equipment after March 9, 2017 shall refer to Rule 40, Value of Distributed Energy Resources (VDER), A. Phase One Net Energy Metering (“NEM”) or B. Value Stack, as applicable.

4. Interconnection
   Customers electing service under this provision must execute a New York State Standardized Contract for Interconnection of New Distributed Generation Units with Capacity of 5 MW or Less Connected in Parallel with Utility Distribution Systems (“SIR Contract”). In addition, customers must operate in compliance with standards and requirements set forth in the New York State Standard Interconnection Requirements and Application Process for New Distributed Generators 5 MW or Less Connected in Parallel with Utility Distribution Systems, as set forth within Addendum-SIR of P.S.C. No. 119.

5. Metering
   For a net metered customer, the Company shall install one meter appropriate for the customer’s service classification that enables the Company to measure the electricity delivered to the customer and measure the electricity supplied by the customer to the Company. Where the Company determines that a second meter should be installed, no additional costs shall be billed to the customer. When a second meter is requested by the customer that is not required by the Company, the customer shall be responsible for the cost of the meter, the installation and any additional costs. For a net metered customer with an installation after March 9, 2017, customer shall refer to Rule 40, Value of Distributed Energy Resources (VDER) for metering requirements.
31. Micro-Hydroelectric Service Option (Cont’d)

A. Residential (Cont’d)

6. Billing

For each billing period during the term of the SIR Contract, the Company shall net the electricity (kWh) delivered to the customers with the electricity (kWh) supplied by the customer to the Company.

a. If the electricity (kWh) supplied by the Company exceeds the electricity supplied by the customer to the Company during the billing period, the customer shall be billed for the net kWh supplied by the Company to the customer at the standard service class rates. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak, netting shall occur in each time period.

b. If the electricity (kWh) supplied by the customer to the Company during the billing period exceeds the electricity (kWh) supplied by the Company to the customer, a kWh credit shall be carried forward for the next billing period. For customer billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak, the kWh credit shall be carried forward as a credit to the appropriate time period.

Upon the Company’s determination that the customer has taken service under this Section while in violation of the conditions of service set forth herein, the customer shall forfeit any positive balance accrued during the annual period in which the violation occurred.

7. Costs

Pursuant to the Standard Interconnection Requirements set forth within Addendum-SIR of P.S.C. No.119, customers are responsible for providing all meter boxes and sockets. In the event that the Company determines that it is necessary to install a dedicated transformer or transformers, or other equipment to protect the safety and adequacy of electric service provided to other customers, the customer-generator shall pay for the cost of installing the transformer or transformers, or other equipment up to a maximum amount of $350.00. The Company shall not charge any additional micro-hydroelectric electric specific interconnection costs incurred by the Company other than $350.00 for dedicated transformers, or other equipment, if necessary. Customers are responsible for any costs related to the installation of their micro-hydroelectric generating equipment. Notwithstanding the provisions herein, residential micro-hydroelectric electric customers are responsible for meeting all otherwise applicable provisions and requirements of P.S.C. No. 119 and 120.

Residential customers who own or operate a farm operation (as defined by Agriculture and Markets Law §301(11)), and locate micro-hydroelectric generating equipment on property he or she owns or leases, is eligible for remote net-metering as set forth in Rule 31.B.8.A.II.
31. Micro-Hydroelectric Service Option (Cont'd)

B. Non-Residential

1. Applicable To
   Any Non-Residential Customer who owns or operates micro-hydroelectric generating equipment located and used at their premises. Micro-hydroelectric generating equipment is defined as a hydroelectric system with a rated capacity of not more than 2,000 kW; that is manufactured, installed and operated in accordance with applicable government and industry standards. Such system must be connected to the customer’s electric system and operated in accordance with applicable government and industry standards, that is connected to the electric system and operated in conjunction with an electric company's transmission and distribution facilities, and that is operated in compliance with any standards and requirements established under this section.

2. Eligible Capacity
   The Micro-Hydroelectric Non-Residential Service Option shall be available to eligible customers, on a first come, first served basis, until the total rated generating capacity for solar, farm waste, MCHP and fuel cell electric generating equipment owned, leased or operated by customer-generators in the Company's service area shall not exceed 98.16 MW, the total rated generating capacity of interconnected projects served by the Company under PSL §66-j as of the close of business on March 9, 2017, including projects to be served by the Company under PSL §66-j for which either Step 8 (for projects greater than 50kW) or Step 4 (for projects 50kW or less) of the Standard Interconnection Requirements (SIR), as applicable, had been completed by the close of business on March 9, 2017. This MW limit shall automatically decrease as projects served under PSL §66-j are taken out of service, but shall not decrease below 28.26 MW, representing 1% of the Company's electric demand for the year 2005.

3. Term
   a. The Company shall calculate credits in accordance with Section 31.B.6. for the life of the micro-hydroelectric generating system for a customer that on or prior to March 9, 2017 has:
      i. completed Step 4 of the SIR Addendum for micro-hydroelectric generating equipment less than 50 kW; or
      ii. completed Step 8 of the SIR Addendum for micro-hydroelectric generating equipment larger than 50 kW; or
      iii. installed micro-hydroelectric generating equipment on or prior to March 9, 2017.

   A customer may opt to take service under Rule 40, Value of Distributed Energy Resources (VDER). Such election shall be a one-time election and shall be irrevocable.

   b. A customer that installs micro-hydroelectric generating equipment after March 9, 2017 shall refer to Rule 40, Value of Distributed Energy Resources (VDER), A. Phase One Net Energy Metering (“NEM) or B. Value Stack, as applicable.

4. Interconnection
   Customers electing service under this provision must execute a New York State Standardized Contract for Interconnection of New Distributed Generation Units with Capacity of 5 MW or Less Connected in Parallel with Utility Distribution Systems (“SIR Contract”). In addition, customers must operate in compliance with standards and requirements set forth in the New York State Standard Interconnection Requirements and Application Process for New Distributed Generators 5 MW or Less Connected in Parallel with Utility Distribution Systems, as set forth within Addendum-SIR of P.S.C. No. 119.
5. Metering
For a net metered customer with an installation on or prior to March 9, 2017, the Company shall install one meter appropriate for the customer’s service classification that enables the Company to measure the electricity delivered to the customer and measure the electricity supplied by the customer to the Company. Where the Company determines that a second meter should be installed, no additional costs shall be billed to the customer. When a second meter is requested by the customer that is not required by the Company, the customer shall be responsible for the cost of the meter, the installation and any additional costs. For a net metered customer with an installation after March 9, 2017, customer shall refer to Rule 40, Value of Distributed Energy Resources (VDER) for metering.

6. Billing
For each billing period during the term of the SIR Contract, the Company shall net the electricity (kWh) delivered to the customers with the electricity (kWh) supplied by the customer to the Company.

Non-Hourly Pricing
a) If the electricity (kWh) supplied by the Company exceeds the electricity supplied by the customer to the Company during the billing period, the customer shall be billed for the net kWh supplied by the Company to the customer at the standard service class rates. For customers billed on Time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak, netting shall occur in each time period.

b) If the electricity (kWh) supplied by the customer to the Company during the billing period exceeds the electricity (kWh) supplied by the Company to the customer, a kWh credit shall be carried forward for the next billing period. For customer billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak, the kWh credit shall be carried forward as a credit to the appropriate time period.

c) For a demand-billed customer, prior to carrying forward any kWh credit, the kWhs shall be converted to a dollar value using the applicable tariff per kWh rate and applied as a credit to the current utility bill. If the dollar value of the kWh exceeds the current utility bill, any remaining dollars shall be converted back to kWhs and carried forward for the next billing period as a kWh credit.

Hourly Pricing
a) For customers billed on Hourly Pricing, for each hour, the customer’s usage and its generation are netted within the hour.

b) Kilowatt-hour charges are calculated using the consumption in each hour in which the customer’s usage exceeds the customer’s generation multiplied by the applicable charge.

c) For each hour the electricity generated and supplied by the customer exceeds the customer’s usage, the kWh difference is multiplied by the applicable tariff per kWh rates (e.g., Energy Charge, Supply Charge, Merchant Function Charge, Ancillary & NTAC, transmission project costs allocated to the Company under the NYISO tariff as approved by FERC, SBC, RDM, and Supply Adjustment Charge.) This is the current month’s excess monetary credit.

d) The excess monetary credit from the current and/or prior bill period(s) is applied to the current billing period. If the excess monetary credit exceeds the current utility bill, the monetary credit is carried forward to the next billing period.

Upon the Company’s determination that the customer has taken service under this Section while in violation of the conditions of service set forth herein, the customer shall forfeit any positive balance accrued during the annual period in which the violation occurred.

7. Costs
Pursuant to the Standard Interconnection Requirements set forth within Addendum-SIR of P.S.C. No.119, customers are responsible for providing all meter boxes and sockets. In the event that the Company determines that it is necessary to install a dedicated transformer or transformers, or other equipment to protect the safety and adequacy of electric service provided to other customers, a customer generator shall pay for the cost of installing the transformer(s), or other equipment. Customers are responsible for any costs related to the installation of their micro-hydroelectric generating equipment. Notwithstanding the provisions herein, non-residential micro-hydroelectric electric customers are responsible for meeting all otherwise applicable provisions and requirements of P.S.C. No. 119 and P.S.C. No. 120.

8. Special Provision
a) Remote Net Metering

I. Definitions
Host Account: The customer meter where the micro-hydroelectric generating equipment is located and interconnected with the Company’s distribution system.

Satellite Accounts: Additional meters designated by the Host Account, with the same name on the account, for the application of excess net metering credits.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
31. Micro-Hydroelectric Service Option (Cont’d)

B. Non-Residential (Cont’d)

8. Special Provision (Cont’d)

a. Remote Net Metering

I. Definitions (Cont’d)

Net-Metered Generation Facility: A generation facility eligible for net metering in conformance with PSL 66-j or 66-l, limited in size consistent with those statutes, located behind the meter of the Host Account and attached to a load served under one of the Company’s service classifications.

Excess Generation: the electricity (kWh) supplied by the customer to the Company during the billing period exceeds the electricity (kWh) supplied by the Company to the customer. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak, the excess is calculated and maintained for each peak.

II. Customer Requirements and Eligibility

A customer participating in Micro-hydroelectric Non-Residential Electric Service Option may designate all or a portion of the excess credit, after application to the Host Account, to Satellite Accounts at any property owned or leased by such customer within the same load zone as determined by the Locational Based Market Price. This shall be completed on a form when submitting their initial remote net metering application. A customer applying for Remote Net Metering is subject to the same term and requirements set forth in Rules 31.B.3 and 31.B.5.

1. Host Account(s)

A customer may designate more than one Host Account and shall provide an application for each Host Accounts. The Host Accounts must be held by the same customer and have an identical billing name, on property and shall provide an application for each Host Account owned or leased by such customer. A Host Account cannot be a Satellite Account.

a. A demand billed customer that applies for Remote Net Metering as a Host Account shall receive monetary satellite credits calculated pursuant to Section 31.B.4.IV.b. Application of Monetary Credits.

b. A non-demand billed customer that applies for Remote Net Metering as a Host Account shall receive volumetric per kWh satellite credits calculated pursuant to Section 31.B.4.IV.c. Application of Volumetric kWh Credits, except for those projects that meet the Grandfathering Requirements:

Grandfathering Requirements:

Net metered projects, under Public Service Law §66-j, meeting the following criteria and conditions shall be allowed to retain monetary crediting pursuant to Section 31.B.4.IV.b. Application of Monetary Credits, at qualifying remote net metered locations.

1) By June 1, 2015:

i. Projects that have been interconnected; or

ii. Projects for which developers have submitted a completed interconnection application to the relevant utility; or

iii. Projects that have completed applications for grants through Program Opportunity Notices (PONs) 2112, 2439, 2589, 2860, and 2956 conducted by the New York State Energy and Research Development Authority (NYSERDA) or the Request for Proposals (RFP) process conducted by New York City for development of renewable facilities at the Freshkills Landfill; or,

iv. Projects that have completed applications for grants in NYSERDA’s NY-Sun MW Block Program for projects sized at more than 200 kW; or

v. Projects that a State, municipal, district, or local governmental entity has solicited through a Request for Proposals or a Request for Information issued in conformance with applicable law.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
31. Micro-Hydroelectric Service Option (Cont’d)
B. Non-Residential (Cont’d)
  8. Special Provision (Cont’d)
    a. Remote Net Metering (Cont’d)

II. Customer Requirements and Eligibility (Cont’d)
  2) To retain the monetary crediting, a project must enter service by the date specified in the NYSERDA PONs in 1).iii or NY-Sun MW Block Program for projects sized at more than 200 kW, 1).iv, or another governmental entity process, as that date may be extended by the relevant governmental entity, or by December 31, 2017 if no date is specified by a governmental entity.

  3) If a project is unable to meet the in-service date of December 31, 2017, and meets the following criteria and conditions, the project shall be allowed to retain monetary crediting:
     a) the customer has provided payment, prior to March 1, 2016, for a Coordinated Electric System Interconnection Review (CESIR) study;
     b) the customer has demonstrated that, upon receipt of the CESIR study results, the estimated construction schedule indicates a final authorization to interconnect on or after July 1, 2017;
     c) the customer has made payment, of the full or at least the first installment amount, for the estimated interconnection costs necessary to support the project, by January 31, 2017; and,
     d) the customer has, by November 30, 2017, submitted an affidavit from the engineer of record for the project, attesting that substantially all of the equipment on the end-use customer’s side of interconnection point has been physically constructed and that the only remaining requirements to interconnect the equipment depend upon the Company, such as Company construction and/or authorization to interconnect.

  4) Monetary credits shall remain in effect for a term of 25 years from the later of: April 17, 2015 or the project in-service date.

2. Satellite Accounts
   a. Must be held by the same customer and have an identical billing name, on property owned or leased by such customer.
   b. The Company reserves the right to investigate/obtain proof that all designated accounts are held by the customer.
   c. A Satellite Account may have more than one Host Account. The name plate rating of the Net Metered Generation Facility(ies) designated as Host Accounts to be applied to a Satellite Account shall not exceed 2 MW in aggregate, including the name plate rating of a Net Metered Generation Facility located at the Satellite Account.
   d. A non-metered account may qualify as a Satellite Account if the Host Account is being compensated based on a monetary crediting methodology pursuant to Rule 40, Value of Distributed Energy Resources (“VDER”).

III. Enrollment and Change Period
After the customer’s initial application, the enrollment and change period is from January 1 through January 31. Any changes shall be effective with the initial Host Account billing after March 1.

Remote Net Metering customers may submit a change request form annually during the change period to designate additional Satellite Accounts or delete existing active Satellite Accounts. The customer may also change the portion (percentage) of excess to remain at the Host Account once per year.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
31. Micro-Hydroelectric Service Option (Cont’d)

B. Non-Residential (Cont’d)

8. Special Provision (Cont’d)
   a. Remote Net Metering (Cont’d)

IV. Calculation and Application of Net Metering Credits
   a. If more than one Host Account is designated by the customer and there is excess generation from more than one Host Account, the Company shall apply credits from the Host Accounts to the Satellite Accounts in the following order:
      i. Grandfathered or Demand-billed Host Accounts participating in Farm Waste (Facility Located and Used for Farm Operations) or Farm Wind Electric Service Options;
      ii. Grandfathered or Demand-billed Host Accounts participating in Non-Residential Solar, Non-Residential Wind, or Micro-Hydroelectric Service Options;
      iii. Host Account participating in Fuel Cell or Farm Waste (Facility Located and Used at Premises) Service Options;
      iv. Any other non-demand-billed Host Accounts.

b. Application of Monetary Credits:
   Host Account
   In a month where the Host Account has Excess Generation, the Excess Generation shall be converted to the equivalent monetary value at the per kWh rate applicable to the Host Account's service classification. The remote net metering credit shall first be applied to any outstanding charges on the Host Account's current electric bill.

   For Non-hourly Pricing customers, remote net metering credits shall be defined as the Excess Generation multiplied by the Host Account’s applicable tariff per kWh rates. For Hourly Pricing customers, as defined under Billing for Hourly Pricing customers, remote net metering credits shall be defined as the excess monetary credit.

   Satellite Accounts:
   Any remaining monetary credit from the Host shall be allocated to each Satellite Account in accordance with the Host Account designation pursuant to Section II. The portion designated for the Satellite Accounts shall be applied to each Satellite Account bill as each subsequent Satellite Account bill is calculated. If a monetary credit remains after applying credits to all designated Satellite Accounts, the credit shall be carried forward on the Host Account and the allocation process between Host and Satellite Accounts shall repeat until the value of the excess credit is zero, or until all associated accounts are finaled.

   In the case of two Satellite Accounts billed on the same day, the excess credit shall be applied to the highest usage account first. The credit applied to each Host or Satellite Account shall not exceed the current electric delivery charges, and if applicable, Company supply charges.
31. Micro-Hydroelectric Service Option (Cont’d)

B. Non-Residential (Cont’d)
   8. Special Provision (Cont’d)
      a. Remote Net Metering (Cont’d)
      IV. Calculation and Application of Net Metering Credits (Cont’d)
         c. Application of Volumetric kWh Credits:
            As each Satellite Account is billed, excess kWh designated to the Satellite Account is converted to a monetary credit and applied to the per kWh charges on the Satellite Account. Monetary credits are calculated using the per kWh rate for the Service Classification applicable to the Satellite Account. If a credit remains after applying to the Satellite Account, the credit is converted back to kWh based on the per kWh rate for the Service Classification applicable to the Satellite Account and the kWh are transferred to the Host Account. This process between Host and Satellite Accounts shall repeat until the value of the excess credit is zero, or until all the Satellite Accounts have been billed. Any remaining kWh credits shall be carried forward on the Host Account to the following month.

            In the case of two Satellite Accounts billed on the same day, the excess credit shall be applied to the highest usage account first.

            The credit applied to a Satellite Account shall not exceed the current electric per kWh delivery charges, and if applicable, Company supply charges.

      d. Upon the Company’s determination that the customer has taken service under this Section 31 while in violation of the conditions of service set forth in this Schedule, the customer shall forfeit any positive balance accrued during the annual period in which the violation occurred.

V. Host Account Closure
   Any remaining excess credits shall not be cashed out or transferred.
32. **Excelsior Jobs Program**

**PURPOSE:**
This service is provided in cooperation with the New York State Empire State Development (“ESD”), pursuant to Article 17 of the Economic Development Law, to assist in job creation and financial investment in targeted industries such as biotechnology, pharmaceutical, high-tech, clean-technology, green technology, financial services, agriculture and manufacturing throughout the Company's service territory.

**A. ELIGIBILITY CRITERIA:**
1) A customer must be approved by the local ESD and the Company must be notified by ESD that the customer has entered into a formal agreement with ESD.
2) A customer must qualify for service under and in accordance with the provisions of Service Classification Nos. 2, 3, 6, 7, and 9.
3) A customer must receive an annual certification of tax credit from ESD verifying that they have satisfied the eligibility criteria and must also satisfy any usage thresholds for additional load as set forth below. The customer will receive the Excelsior incentive for one year each year that they are issued a certification from ESD. In the event that a 12-month period has ended but the Company has not yet receive notification from ESD regarding the next year’s certification the customers benefits will continue until either an additional three months has passed or the Company receives notification that the customer will not be issued a tax certificate for the year.
4) A customer who increases their demand or energy usage by twenty-five percent on a monthly basis above their baseload shall be eligible to receive the appropriate Excelsior Jobs Program rates. A customer with a baseload of zero will receive the appropriate Excelsior Jobs Program rates on their entire load. A customer who achieves the twenty-five percent increase above their baseload will receive the appropriate Excelsior rates on all of the load above the baseload.

**B. TERM:**
A qualified customer will be eligible to receive the Excelsior Jobs Program delivery rates for no more than ten years from the initial certification from ESD or until a customer's Excelsior certification becomes invalid.
If a customer's Excelsior certification becomes invalid, the customer will not receive Excelsior Jobs Program delivery rates until the Company is notified by ESD that the customer has been recertified.

**C. BILLING AND PROGRAM BENEFITS**
The Company will calculate bills for service supplied under the Excelsior Jobs Program rates in accordance with the applicable Special Provision under Service Classification Nos. 2, 3, 6, 7, or 9.

In addition to the Excelsior Jobs Program delivery rates, qualifying load will be exempt from the Transition Charge and Revenue Decoupling Mechanism (RDM) adjustments. For certain adjustments approved by the Commission, a separate credit will be calculated and placed on the customer’s bill.

The customer’s bills will be calculated with the Excelsior Jobs Program rates for the qualifying load beginning with the usage billed with the first full bill after the Company receives notification that the customer has received a certificate of tax credit and end no later than 15 months after receipt of the most recent certificate of tax credit notification.

**ISSUED BY:** James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
GENERAL INFORMATION

32. Excelsior Jobs Program (Cont’d)

D. INCREASE IN RATES AND CHARGES

The rates and charges under this rider, including any adjustments, are increased by the applicable effective aggregate percentage shown in General Information Section 6 for service supplied the municipality where the customer is taking service.

E. SUPPLY SERVICE OPTIONS:

Excelsior Jobs Program customers may select one of the following electricity supply pricing options:ESCO Supply Service (ESS) or NYSEG Supply Service (NSS) as further described in the otherwise applicable service classification.

The Excelsior Jobs Program customer must choose the same Supply Service Option for its incentive load, non-incentive load, and all future Excelsior load at the facility.

F. OTHER

A qualified customer will pay a monthly service bill at the rates and charges under this rate for all kW or kWh in excess of a base amount of kW or kWh established for each monthly billing period.

a. For an existing customer, the base amount of kW or kWh will be determined by the Company using an annual historical period. The customer may request an adjustment to the base amount if the customer has installed energy conservation measures pursuant to an energy efficiency program approved by the Commission.

b. For a prospective customer, the base amount of kW or kWh will be zero.

If it is determined that the bill calculated under this provision exceeds the bill calculated under the otherwise applicable standard Service Classification rates, the customer will pay the lower of the two bills.

If the customer is receiving Empire Zone or Economic Development Zone discounts, such customer agrees to forfeit any prospective discounts received under the Empire Zone or Economic Development Zone program at any location or locations that qualify for Excelsior Jobs Program discounts as of the date the customer begins to receive Excelsior Jobs Program discounts.
33. **Residential Agricultural Discount (“RAD”)**

A. **Applicability:**

1. The RAD is applicable to an agricultural customer who takes electric service pursuant to a residential service classification, S.C. Nos. 1, 8, or 12 of this Schedule. The RAD will begin on September 1 and continue through August 31 of the following year (“Program Year”). Customers shall provide the documentation as described in Section 33.A.2 by July 1 of each year.

2. A customer must complete an application and provide the Company with a copy of their appropriate Internal Revenue Form filed with their most recent filed Federal Tax Return, which indicates that they are agricultural producers.

   For customers that file a Form 1040, U.S. Individual Income Tax Return a copy of Internal Revenue Form - Schedule F-Profit or Loss for Farming is required to be submitted with a completed application.

   For customers that file a Form 1120, 1120S, or 1065, U.S. Income Tax Return a copy of the form is required to be submitted with a completed application. The Business Activity indicated on the form must be one of the Business Activity codes listed below:

   - **Agriculture, Forestry, Fishing and Hunting**
     - **Crop Production**
       - 111100 - Oilseed & Grain Farming
       - 111210 - Vegetable & Melon Farming (including potatoes & yams)
       - 111300 - Fruit & Tree Nut Farming
       - 111400 - Greenhouse, Nursery, & Floriculture Production
       - 111900 - Other Crop Farming (including tobacco, cotton, sugarcane, hay, peanut, sugar beet & all other crop farming)
     - **Animal Production**
       - 112111 - Beef Cattle Ranching & Farming
       - 112112 - Cattle Feedlots
       - 112120 - Dairy Cattle & Milk Production
       - 112210 - Hog & Pig Farming
       - 112300 - Poultry & Egg Production
       - 112400 - Sheep & Goat Farming
       - 112510 - Aquaculture (including shellfish & finfish farms & hatcheries)
       - 112900 - Other Animal Production
     - **Forestry and Logging**
       - 113110 - Timber Tract Operations
       - 113210 - Forest Nurseries & Gathering of Forest Products
       - 113310 - Logging
     - **Fishing, Hunting and Trapping**
       - 114110 - Fishing
       - 114210 - Hunting & Trapping
33. **Residential Agricultural Discount ("RAD") (Cont’d)**

   **A. Applicability (Cont’d):**

   a. The RAD shall be applied to qualified customers’ bills no later than three billing cycles from when the Company receives the completed application and copy of the appropriate federal tax form.

   b. A customer must reapply by July 1 of each year by providing their current federal tax forms as filed with their Federal Tax Return for the current tax year. The customer shall be qualified to receive credits for the Program Year.

   c. If the above documentation is not received by July 1, the customer shall forego their RAD credit until the proper documentation is provided to the Company. The customer shall be qualified to receive credits for the remaining period of the Program Year.

   **B. Calculation of the RAD:**

   1. The RAD shall be calculated monthly based on the monthly forecast sales of each customer who has qualified for and is scheduled to receive a credit.

   2. The RAD shall be subject to a monthly reconciliation for any over/under credits. Any over/under credits as a result of the reconciliation shall be added to or subtracted from the Transition Charge as set forth in Rule 25.1.B.1(iii).

   3. The monthly RAD credit provided to customers shall be the RAD multiplied by the customer’s billed kilowatt hours and shall not exceed the net total monthly electric delivery bill for each customer.

   a. If the customer is participating in net metering as established in PSL Section 66-j or PSL Section 66-l, and set forth in this Schedule, the RAD credit shall be applied to any electricity supplied by the Company that exceeds the generation supplied by the customer.

   i. If a residential farm customer is eligible for Remote Net Metering, and the Host Account generates more energy than the Company supplies, the RAD credit shall be included in the calculation to value the excess generation.

   **C. Filings**

   A Residential Agricultural Discount (RAD) Statement setting forth the rate shall be filed with the Public Service Commission on not less than three (3) days’ notice. Such statement can be found at the end of this Schedule (PSC 120 – Electricity).

34. **Distribution Load Relief Program**

   **A. Applicability**

   All customers taking service under Service Classification Nos. 1, 2, 3, 6, 7, 8, 9, 11, and 12, whether receiving electricity supply from the Company or an ESCO, including any NYPA Customer; and to any Aggregator that meets the requirements of this Program.

**ISSUED BY:** James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
34. Distribution Load Relief Program (Cont’d)

B. Contracting for Distribution Load Relief Program Service

There are two options under this Program under which a Direct Participant or Aggregator may contract to provide Load Relief during Load Relief Periods designated by the Company: the Voluntary Participation Option and the Reservation Payment Option. This program is applicable to Direct Participants and Aggregators who agree in writing to provide, either on a Voluntary Participation or Reservation Payment Option, Load Relief in a Company Designated Area, when the Company designates a Contingency or Immediate Event during a Capability Period.

A Direct Participant must contract to provide at least 50 kW of Load Relief. An Aggregator must contract to provide at least 50 kW of Load Relief.

If other requirements for service under this Program are met, Electric Generating Equipment may be used to participate under this Program subject to the provisions set forth in Section D below. The participating Direct Participant or Aggregator is responsible for determining that the operation of generating equipment under this Program shall be in conformance with any governmental limitations on operation.

C. Definitions

The following terms are defined for purposes of this Program only:

**Aggregator:** A party other than the Company that represents and aggregates the load of Customers who collectively have a Load Relief potential of 50 kW or greater in a Company Designated Area and is responsible for the actions of the Customers it represents, including performance and, as applicable, repayments to the Company.

**Capability Period:** The period during which the Company can request Load Relief. The Capability Period shall be from May 1 through September 30.

**CBL:** Customer baseline load as calculated under the Company’s Customer Baseline Load methodology, using either the weather-sensitive adjustment option (the “weather adjusted CBL”) or the average-day CBL. The Customer Baseline Load methodology shall be described in the Company’s baseline operating procedure, which shall be published on the Company’s website.

**CBL Verification Methodology:** The methodology used by the Company to verify the actual Load Relief provided (kW and kWh) during each hour of each designated Load Relief Period and Test. Actual load levels are compared to the customer baseline loads to verify whether the Direct Participant or Aggregator provided the kW of contracted Load Relief; provided, however, that the Company may estimate the data pursuant to the Company’s operating procedure if data is not available for all intervals. When the weather-adjusted CBL methodology is used and the calculated weather adjustment falls outside of the Company defined ranges (i.e., the Company deems the weather to be atypical on the day of a Load Relief Period or Test when compared to the baseline period), the Company may review and revise a participant’s baseline based on the Customer’s historical load data. When the weather-adjusted CBL methodology is used, the Company, at its own discretion, may select alternate hours for the adjustment period to calculate the weather adjustment in order to accurately reflect the customer’s typical usage.
GENERAL INFORMATION

34. Distribution Load Relief Program (Cont’d)
   C. Definitions (Cont’d)

   **Company Designated Area:** An electrically defined area determined by the Company to be approaching system capacity limits during peak periods. A current list of the Company Designated Areas shall be listed on the Company’s website.

   **Contingency Event:** A Load Relief Period lasting four or more hours for which the Company provides two or more hours’ advance notice.

   **Direct Participant:** A Customer who enrolls under this Program directly with the Company for a single account and agrees to provide at least 50 kW of Load Relief.

   **Electric Generating Equipment:** (a) electric generating equipment that is served under Service Classification No. 10 or Service Classification No. 11 and used to provide Load Relief under this Program; or (b) emergency electric generating equipment that is interconnected and operated in compliance with rules governing Emergency Generating Facilities used for self-supply and used to provide Load Relief under this Program.

   **Immediate Event:** A Load Relief Period lasting six or more hours for which the Company provides less than two hours’ advance notice.

   **Load Relief:** Power (kW) and energy (kWh): (a) ordinarily delivered by the Company that is displaced by use of Electric Generating Equipment and/or reduced by the Direct Participant or Aggregator at the Customer’s premises; or (b) produced by use of Electric Generating Equipment by a customer taking service pursuant to Service Classification No. 10 and delivered by that Customer to the Company’s distribution or transmission system during a Load Relief Period.

   **Load Relief Period:** The hours for which the Company requests Load Relief during a Contingency Event or an Immediate Event. Load Relief shall not be required of a Direct Participant or Aggregator after 12:00 AM or before 6:00 AM.

   **Performance Factor:** When a Planned Event or Test is called, is the quotient of: (i) the average hourly kW of Load Relief provided by the Direct Participant or Aggregator during the requested hours, up to the kW of contracted Load Relief to (ii) the kW of contracted Load Relief.

   **Renewable Generation:** Behind-the-meter electric generating equipment that is not fossil-fueled and has no emissions associated with it.

   **Test:** The Company’s request under the Reservation Payment Option that Direct Participants and Aggregators provide one hour of Load Relief on not less than two hours advance notice.
34. Distribution Load Relief Program (Cont’d)
   D. Applications and Term of Service
      1. Applications for service and the batch enrollment forms under this program must be made electronically. Direct Participants and Aggregator may participate after the Company’s receipt and approval of a completed application and enrollment form. For the Reservation Payment Option, the Company shall accept an application by April 1 for a May 1 commencement date or by May 1 for a June 1 commencement date. However, if the application is received by April 1 and the Company does not bill the participant monthly using interval metering at the time of application, participation may commence on the first day of a month as late as July 1 provided all conditions in Section F are satisfied. For the Voluntary Participation Option, the Company shall accept applications at any time provided all conditions in Section F are satisfied.

      2. The desired commencement month must be specified in the application.

         Applications shall not be accepted after the specified date for participation during the current Capability Period. If the first of the month falls on a weekend or holiday, applications shall be accepted until the first business day thereafter.

      3. A Direct Participant or Aggregator may apply in writing to change the CBL Verification Methodology, to change the kW of pledged Load Relief, or to terminate service under this program for the upcoming Capability Period provided the request is received prior to commencing participation for that Capability Period. In order for a Direct Participant or Aggregator to increase its kW of contracted Load Relief, the Direct Participant’s or Aggregator’s most recent Performance Factor must be no less than 1.00.

      4. An Aggregator may increase its kW of pledged Load Relief during a Capability Period only if it enrolls customers whose Aggregator either exited the program or is suspended from enrollment in the program for noncompliance with Aggregator eligibility requirements or the Company’s operating procedures. In such case, the Aggregator may increase its kW of pledged Load Relief up to the amount of the transferred Customers’ existing kW of pledged Load Relief.

      5. Each application must state the kW of Load Relief that the Direct Participant or Aggregator contracts to provide for the Load Relief Period. The weather-adjusted CBL shall be used as the CBL Verification Methodology for each account number enrolled, unless the application specifies that the average-day CBL is to be used for verification of performance. A single CBL Verification Methodology shall be used for each customer to assess both energy (kWh) and demand (kW) Load Relief.
34. **Distribution Load Relief Program (Cont’d)**
   
   **D. Applications and Term of Service (Cont’d)**
   
   6. If a Direct Participant or Aggregator requests to operate Electric Generating Equipment for Load Relief purposes under this Program, the application must state generator information, including the unit’s serial number, nameplate rating, manufacturer, date of manufacture, fuel type or energy source, the kW enrolled using this equipment, and if the Company has approved the interconnection of such equipment. Furthermore, participants enrolled in a NYISO market-based program offered by the Company, NYPA or other entity, such as the Day-ahead Demand Response Program or the Demand-Side Ancillary Service Program, must provide the Company with their NYISO generator identification number, under a confidentiality agreement, and give the Company the ability to view their market participation activity. This information shall be used to verify the times of participation in these other programs to prevent double-payment during concurrent events.

   7. Participation under this Program is permitted to participants in other programs that provide payment for capacity, such as the NYISO’s Special Case Resources Program and the Company’s Commercial System Relief Program.

   8. Direct Participants and Aggregators must meet the metering requirements specified in Section F.

   9. Customers who take service pursuant to a Net Metering option are not eligible to participate in this program.

   **E. Load Relief Period Criteria, Notification by the Company and Required Response**

   1. The Company declares a need for emergency or non-emergency relief, as described by 40 CFR 63.6640 subparts 2 and 4, or if a voltage reduction of five percent or greater has been ordered, the Company may designate such period as a Load Relief Period. The Company may designate specific feeders or geographical areas in which Load Relief shall be requested.

   2. The Company shall notify Direct Participants and Aggregators by phone, email or machine-readable electronic signal, or a combination thereof, in advance of the commencement of a Load Relief Period or Test. The Direct Participant or Aggregator shall designate in writing an authorized representative and an alternate representative, and include an electronic address if applicable, to receive the notice. If an Aggregator is served under this Program, only the Aggregator shall be notified of the Load Relief Period or Test. The Aggregator is responsible for notifying all of the customers within its respective aggregation group in the affected area(s).

   3. If the Company designates a Contingency Event or a Test, the Company shall provide two hours or more advance notice.
GENERAL INFORMATION

34. Distribution Load Relief Program (Cont’d)
   E. Load Relief Period Criteria, Notification by the Company and Required Response (Cont’d)

   4. If the Company designates an Immediate Event, notice shall be given as soon as practicable. Participants are requested to provide Load Relief as soon as they are able.

   5. Participants in the Reservation Payment Option are required to participate during:

      a) The Load Relief Period for all Contingency Events called by the Company during the Capability Period, and

      b) Tests called by the Company. The Test period shall not exceed one hour. Tests shall occur within the timeframe of Load Relief Periods. Participants in the Voluntary Participation Option shall not be tested.
34. Distribution Load Relief Program (Cont’d)

F. Metering

1. Participation under this program requires that each participant’s entire service be measured by interval metering with telecommunications capability used by the Company for monthly billing. If an Aggregator takes service under this program, all customers of the Aggregator must meet the metering and telecommunications requirements specified herein.

2. If, at the time of application for service under this program, the Company does not bill the participant monthly using interval metering, the Customer shall arrange for the furnishing and installation of interval metering with telecommunications capability to be used for billing and arrange for telecommunications service, at the participant’s expense.

3. If the Company does not bill the participant monthly using interval metering at the time of application, participation in the Reservation Payment Option shall not commence unless both interval metering and meter communications are operational. If the Company receives a completed application by April 1, service can commence May 1 if interval metering is installed by April 1 and meter communications are operational by April 30. If the Company receives a completed application by May 1, service can commence on June 1 if the interval metering is installed by May 1 and meter communications are operational by May 31. If the application is received by May 1, but the above deadlines for installation of interval metering and meter communications are not met, service shall commence on July 1, provided that interval metering is installed by June 1 and meter communications are operational by June 30.

4. The Company shall install interval metering within 21 business days of the later of the Company’s receipt of an applicant’s payment for an upgrade to interval metering and: (i) evidence that a request has been made to the telephone carrier (e.g., receipt of a job number) to secure a dedicated phone line for a meter with landline telecommunications capability or (ii) the active Internet Protocol (“IP”) address that the wireless carrier has assigned to the modem’s ESN for a meter with wireless capability. If the Company misses the installation time frame for the Reservation Payment Option, it shall make the otherwise earned Reservation Payment to the Direct Participant or Aggregator, unless the meter delay was caused by a reason outside the Company’s control, such as the telephone company’s failure to install a landline or, if, at the Company’s request, the Commission grants the Company an exception due to a condition such as a major outage or storm. The otherwise earned Reservation Payment shall be calculated by determining the number of months between the earliest month in which the customer could have begun participation had the meter been installed within the required timeframe (assuming the Company’s acceptance of a completed application and receipt of payment for the meter upgrade) and the first month following the completed installation, and multiplying that number by the pledged kW and associated per-kW Reservation Payment Rate.

5. The Company shall visit the premises at the request of the Customer to investigate a disruption of normal communication between the phone line or wireless communications and the meter, or operation of external pulses from the meter to the Customer’s energy management equipment. The Company shall charge for its visit based upon the cost to the Company.
GENERAL INFORMATION

34. Distribution Load Relief Program (Cont’d)

G. Data Review
The Company reserves the right to review records and/or operations of any Direct Participant, Aggregator, customer of an Aggregator, or Meter Data Service Provider (“MDSP”) to verify enrollment information and performance associated with any designated Load Relief Period or Test called by the Company. Once the Company initiates a data review, all payments shall be suspended pending the outcome of the review. The Company shall complete its review within 30 days of receipt of all requested data, but no later than December 31 of the calendar year of the Capability Period under review. Any suspended payments shall be reinstated if the Company’s review of the data results in a finding that the enrollment and performance information are correct.

If the Company determines that a Direct Participant, Aggregator, customer of an Aggregator, or MDSP failed to cooperate fully and promptly with the review and/or did not fully comply with the provisions of this program and/or provided inaccurate data, the Direct Participant, Aggregator or the customer of the Aggregator shall be deemed ineligible to participate in the program until the issue is rectified. In addition, the Direct Participant or Aggregator shall be required to make prompt repayment to the Company of any overpayments that were made to such Direct Participant or Aggregator, on behalf of its customer, for the Capability Period that was reviewed as well as the current Capability Period, if different.

H. Aggregation
1. All customers of an Aggregator must meet the metering and telecommunications requirements of this program.

2. An Aggregator is responsible for the compliance of all customers it enrolls and shall be liable for performance, including, as applicable, repayments to the Company.

I. Voluntary Participation Option
1. Performance Payments for Load Relief
Except as specified in Section I.3, the Company shall make Performance Payments to a Direct Participant or Aggregator participating in the Voluntary Participation Option for Load Relief provided during a designated Load Relief Period.

The Performance Payment rate is $0.50 per kWh.

The Performance Payment amount paid per event is equal to the applicable Payment Rate multiplied by the average hourly kWh of Load Relief provided during the event multiplied by the number of event hours.

2. Application of Payments
The Company shall make payment to a Direct Participant or Aggregator, after the end of the program year, for the sum of the payments due for all Load Relief Periods in the Capability Period. Payments shall be made by bill credit, check, or wire transfer.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
34. **Distribution Load Relief Program (Cont’d)**
   
   I. **Voluntary Participation Option (Cont’d)**
   
   3. **Payment for Direct Participants and Aggregators Participating in Other Programs**
   
   Performance payments shall not be made under this program if the Direct Participants or Aggregator (on behalf of its customer) receives payment for energy under any other demand response program (e.g., NYISO’s Day-ahead Demand Reduction Program, NYISO’s Special Case Resources Program or the Company’s Commercial System Relief Program) during concurrent Load Relief hours. If a Direct Customer or Aggregator (on behalf of its customer) is enrolled in the Company’s Commercial System Relief Program for concurrent Load Relief hours, Performance Payment will be made only through the Commercial System Relief Program.

   J. **Reservation Payment Option**
   
   1. **Applicability**
   
   A Direct Participant or Aggregator shall receive a Reservation Payment if such Direct Participant or Aggregator agrees in writing to provide Load Relief for no less than four consecutive hours during each designated Load Relief Period during the effective Capability Period.

   2. **Reservation Payments**
   
   Reservation Payments per month are equal to the applicable Reservation Payment rate per kW per month multiplied by the kW of contracted Load Relief multiplied by the Performance Factor for the month. Reservation Payments shall be made under this Program independent of whether payments are made for capacity under any other program.

   The Reservation Payment rate is $4.10 per kW per month during months in which there have been four or fewer cumulative Contingency Events and Immediate Events since the beginning of the effective Capability Period. The Reservation Payment rate is $4.35 per kW per month during months in which there have been five or greater cumulative Contingency Events and Immediate Events since the beginning of the effective Capability Period.

   3. **Performance Payments for Load Relief**
   
   The Company shall make a Performance Payment per kWh for the first four hours of Load Relief provided during the Load Relief Period.

   The Performance Payment is $0.50 per kWh.

   4. **Bonus Payment**
   
   The Company shall make a Bonus Payment per kWh for the fifth and subsequent hours of Load Relief provided during the Load Relief Period.

   The Bonus Payment is $0.60 per kWh.
34. Distribution Load Relief Program (Cont’d)
   J. Reservation Payment Option (Cont’d)

   5. Performance Factor
      a) When a Contingency Event is called, the Performance Factor is:
         i. The quotient of average hourly kW of Load Relief provided by the Direct
            Participant or Aggregator during the first four hours of the Load Relief Period and
            up to the kW of contracted Load Relief.

      b) When an Immediate Event is called, the Performance Factor is:
         i. The quotient of the average hourly kW of Load Relief provided by the Direct
            Participant or Aggregator during the highest consecutive four hours during the
            first six hours of the Load Relief Period and up to the kW of contracted Load
            Relief.

      c) When a Test is called, the Performance Factor is:
         i. The quotient of the kW of Load Relief provided during the Test Hour by the
            Direct Participant or Aggregator up to the kW of contracted Load Relief.

      d) When more than one Contingency Event, Immediate Event and/or Test is called during
         the month, the Performance Factor is the average of the Performance Factors for the
         Direct Participant or the average of the Performance Factors for the Aggregator during
         that month. Where service is taken under this Program by an Aggregator, the kW of
         contracted Load Relief is measured on a portfolio basis by CBL Verification
         Methodology.

         i. The Performance Factor for the month is used to calculate Reservation Payments
            for that month and each month thereafter until the month in which the next Test or
            Load Relief Period is called by the Company during the current or subsequent
            year’s Capability Period.

         ii. If the Direct Participant or Aggregator did not participate in the program during
             the prior Capability Period, and no Load Relief Periods or Tests have been
             designated since the Direct Participant or Aggregator enrolled in the program,
             payment for the current month will be made based on an assumed Performance
             Factor of 0.50. A subsequent true-up will be made once an actual Performance
             Factor is established either via a Test or Load Relief Event. The true-up may
             result in a credit or a charge to the participant.

      e) The performance Factor is truncated to two decimal places and has an upper limit of 1.00
         and a lower limit of 0.00.

   6. Application of Payments
      Reservation Payments shall be calculated on a monthly basis. Payments shall be made by bill credit,
      check or wire transfer.
PSC No: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: June 1, 2016
Issued in Compliance with Order in Case 14-E-0423, dated June 18, 2015

GENERAL INFORMATION

Reserved for Future Use

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
GENERAL INFORMATION

34. Distribution Load Relief Program (Cont’d)

J. Reservation Payment Option (Cont’d)

6. Application of Payments
   Reservation Payments shall be calculated on a monthly basis. Payments shall be made by bill credit, check or wire transfer.

K. Cost Recovery
   1. The Company shall collect the costs of this program from all customers pursuant to Rule 25.I.B.1, Transition Charge (Non-Bypassable Charge [“NBC”]). The collection amount shall be allocated to each service classification based upon the Company’s most recent primary distribution demand allocator.
   2. The costs shall be collected from non-demand billed customers on a per kWh basis and from demand billed customers on a per kW basis.
   3. The costs shall be tracked separately and reconciled with revenues collected for the program on an annual basis, inclusive of interest at the effective New York State Public Service Commission’s published customer deposit rate applicable to investor owned utilities.
   4. A DLM Statement setting forth the cost values included in the Transition Charge (Non-Bypassable Charge [“NBC”]) by service classification shall be updated annually and filed on not less than one days’ notice. Such statement can be found at the end of this Schedule (P.S.C. No. 120 – Electricity).

35. Commercial System Relief Program
   A. Applicability
      All customers taking service under Service Classification Nos. 1, 2, 3, 6, 7, 8, 9, 10, 11, 12, 13 and 14, whether receiving electricity supply from the Company or an ESCO, including any NYPA Customer; and to any Aggregator that meets the requirements of this Program.

   B. Contracting for Commercial System Relief Program Service
      There are two options under this Program through which a Direct Participant or Aggregator may contract to provide Load Relief during Load Relief Periods designated by the Company: the Voluntary Participation Option and the Reservation Payment Option. This Program is applicable to Direct Participants and Aggregators who agree in writing to provide Load Relief either on a Voluntary Participation or Reservation Payment Option, during all Contracted Hours whenever the Company designates Planned Events during the Capability Period. Direct Participants and Aggregators may also agree to voluntarily provide Load Relief if an Unplanned Event is called.

      A Direct Participant must contract to provide at least 50 kW of Load Relief. An Aggregator must contract to provide at least 50 kW of Load Relief.

      If other requirements for service under this Program are met, Electric Generating Equipment may be used to participate under this Program subject to the provisions set forth in Section D below. The participating Direct Participant or Aggregator is responsible for determining that the operation of the generating equipment under this Program shall be in conformance with any governmental limitations on operation.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
GENERAL INFORMATION

35. Commercial System Relief Program (Cont’d)

C. Definitions
The following terms are defined for purposes of this Program only:

**Aggregator:** A party other than the Company that represents and aggregates the load of Customers who collectively have a Load Relief potential of 50 kW or greater in a Company Designated Area and is responsible for the actions of the Customers it represents, including performance and, as applicable, repayments to the Company.

**Capability Period:** The period during which the Company can request Load Relief. The Capability Period shall be from May 1 through September 30.

**CBL:** Customer baseline load as calculated under the Company’s Customer Baseline Load methodology, using either the weather-sensitive adjustment option (the “weather adjusted CBL”) or the average-day CBL. The Customer Baseline Load methodology shall be described in the Company’s baseline operating procedure, which shall be published on the Company’s website.

**CBL Verification Methodology:** The methodology used by the Company to verify the actual Load Relief provided (kW and kWh) during each hour of each designated Load Relief Period and Test.

Actual load levels are compared to the customer baseline loads to verify whether the Direct Participant or Aggregator provided the kW of contracted Load Relief; provided, however, that the Company may estimate the data pursuant to the Company’s operating procedure if data is not available for all intervals. When the weather-adjusted CBL methodology is used and the calculated weather adjustment falls outside of the Company defined ranges (i.e., the Company deems the weather to be atypical on the day of a Load Relief Period or Test when compared to the baseline period), the Company may review and revise a participant’s baseline based on the Customer’s historical load data. When the weather-adjusted CBL methodology is used, the Company, at its own discretion, may select alternate hours for the adjustment period to calculate the weather adjustment in order to accurately reflect the customer’s typical usage.

**Contracted Hours:** The four-hour period within a weekday, Monday through Friday during the Capability Period excluding federal holidays, during which the Direct Participant or Aggregator contracts to provide Load Relief whenever the Company designates a Planned Event.

**Direct Participant:** A Customer who enrolls under this Program directly with the Company for a single account and agrees to provide at least 50 kW of Load Relief.

**Electric Generating Equipment:** (a) electric generating equipment that is served under Service Classification No. 10 or Service Classification No. 11 and used to provide Load Relief under this Program; or (b) emergency electric generating equipment that is interconnected and operated in compliance with rules governing Emergency Generating Facilities used for self supply and used to provide Load Relief under this Program.
35. Commercial System Relief Program (Cont’d)

C. Definitions (Cont’d)

Load Relief: Power (kW) and energy (kWh): (a) ordinarily delivered by the Company that is displaced by use of Electric Generating Equipment and/or reduced by the Direct Participant or Aggregator at the Customer’s premises; or (b) produced by use of Electric Generating Equipment by a customer taking service pursuant to Service Classification No. 10 and delivered by that Customer to the Company’s distribution or transmission system during a Load Relief Period.

Load Relief Period: The hours for which the Company requests Load Relief when it designates a Planned Event or an Unplanned Event.

Performance Factor: When a Planned Event or Test is called, is the quotient of: (i) the average hourly kW of Load Relief provided by the Direct Participant or Aggregator during the requested hours, up to the kW of contracted Load Relief to (ii) the kW of contracted Load Relief.

Planned Event: The Company’s request, on not less than 21 hours’ advance notice, for Load Relief during the Contracted Hours. Planned Events shall be called when the Company’s day-ahead forecasted load level is at least 92% of the forecasted summer system-wide peak. Day-ahead and summer peak forecast information for the system shall be posted to the Company’s website. Planned Events shall be scheduled on weekdays and will begin at 2 p.m. and end at 6 p.m. There shall be a Planned Event confirmation or cancellation notification no less than 2 hours before the start of the event.

Renewable Generation: Behind-the-meter electric generating equipment that is not fossil-fueled and has no emissions associated with it.

Test: The Company’s request under the Reservation Payment Option for Direct Participants and Aggregators to provide one hour of Load Relief on not less than 21 hours advance notice. There shall be a Test confirmation or cancellation notification no less than 2 hours before the start of the Test.

Unplanned Event: The Company’s request for Load Relief: (a) on less than 21 hours’ advance notice; or (b) for hours outside of the Contracted Hours.

D. Applications and Term of Service

1. Applications for service and the batch enrollment forms under this Program must be made electronically. Direct Participants and Aggregators may participate after the Company’s receipt and approval of a completed application and enrollment form. For the Reservation Payment Option, the Company shall accept an application by April 1 for a May 1 commencement date or by May 1 for a June 1 commencement date. However, if the application is received by April 1 and the Company does not bill the participant monthly using interval metering at the time of application, participation may commence on July 1 provided all conditions in Section F are satisfied. For the Voluntary Participation Option, the Company shall accept applications at any time provided all conditions in Section F are satisfied.
GENERAL INFORMATION

35. Commercial System Relief Program (Cont’d)

D. Applications and Term of Service (Cont’d)

2. The desired commencement month must be specified in the application.

Applications shall not be accepted after the specified date for participation during the current Capability Period. If the first of the month falls on a weekend or holiday, applications shall be accepted until the first business day thereafter.

3. A Direct Participant or Aggregator may apply in writing to change the CBL Verification Methodology, to change the kW of pledged Load Relief, or to terminate service under this Program for the upcoming Capability Period provided the request is received prior to commencing participation for that Capability Period. In order for a Direct Participant or Aggregator to increase its kW of contracted Load Relief, the Direct Participant’s or Aggregator’s most recent Performance Factor must be no less than 1.00.

4. An Aggregator may increase its kW of pledged Load Relief during a Capability Period only if it enrolls customers whose Aggregator either exited the program or is suspended from enrollment in the program for noncompliance with Aggregator eligibility requirements or the Company’s operating procedures. In such case, the Aggregator may increase its kW of pledged Load Relief up to the amount of the transferred Customers’ existing kW of pledged Load Relief.

5. Each application must state the kW of Load Relief that the Direct Participant or Aggregator contracts to provide for the Load Relief Period. The weather-adjusted CBL shall be used as the CBL Verification Methodology for each account number enrolled, unless the application specifies that the average-day CBL is to be used for verification of performance. A single CBL Verification Methodology shall be used for each customer to assess both energy (kWh) and demand (kW) Load Relief.

6. Participation by diesel-fired Electric Generating Equipment shall be permitted only if the engine for the equipment is model year 2000 or newer. Participation by these diesel-fired Electric Generating Equipment shall be limited to 20% of the total kW enrolled under this Program for the Capability Period. Enrollment by such generators shall be accepted on a first come, first served basis. Within these geographic areas, no limit or cap shall be placed on the following: natural gas-fired rich burn Electric Generating Equipment that incorporates three-way catalyst emission controls; natural gas lean-burn Electric Generating Equipment with an engine of model year vintage 2000 or newer; or Electric Generating Equipment that has a NOx emissions level of no more than 2.96 lb/MWh.

7. If a Direct Participant or Aggregator requests to operate Electric Generating Equipment for Load Relief purposes under this Program, the application must state generator information, including the unit’s serial number, nameplate rating, manufacturer, date of manufacture, fuel type or energy source, the kW enrolled using this equipment, and identification as to whether the unit incorporates three-way catalyst emission controls (natural gas-fired rich burn), a natural gas lean-burn engine of model year vintage 2000 or newer, or a diesel-fired engine of model year vintage 2000 or newer, or whether it has a NOx emission level of no more than 2.96 lb/MWh. If the generating equipment has a NOx emission level of no more than 2.96 lb/MWh, but is not natural gas-fired rich burn generating equipment that incorporates three-way catalyst emission controls, a natural gas lean-burn engine of model year vintage 2000 or newer, or a diesel-fired engine of model year vintage 2000 or newer, written certification by a professional engineer must be attached to the application attesting to the accuracy of all generation-related information contained in the application, including the NOx emission level.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
GENERAL INFORMATION

35. Commercial System Relief Program (Cont’d)

D. Applications and Term of Service (Cont’d)

7. (Cont’d)
Copies of all New York State Department of Environmental Conservation ("DEC") permits must be included with the application. By applying for service under this Program, Direct Participants and Aggregators (on behalf of their customers) agree to permit the Company to provide information regarding the Electric Generating Equipment to the DEC for its review, subject to the DEC’s agreement to keep this information confidential. Furthermore, participants enrolled in a NYISO market-based program offered by the Company, NYPA or other entity, such as the Day-ahead Demand Response Program or the Demand-Side Ancillary Service Program, must provide the Company with their NYISO generator identification number, under a confidentiality agreement, and give the Company the ability to view their market participation activity. This information shall be used to verify the times of participation in these other programs to prevent double-payment during concurrent events.

8. Participation under this Program is permitted to participants in other programs that provide payment for capacity, such as the NYISO’s Special Case Resources Program and the Company’s Distribution Load Relief Program.

9. Direct Participants and Aggregators must meet the metering requirements specified in Section F.

10. Customers who take service pursuant to a Net Metering option are not eligible to participate in this program.

E. Load Relief Period Criteria, Notification by the Company and Required Response

1. The Company shall notify Direct Participants and Aggregators by phone, e-mail, or machine-readable electronic signal, or a combination thereof, in advance of the commencement of a Load Relief Period or Test. The Direct Participant or Aggregator shall designate in writing an authorized representative and an alternate representative, and include an electronic address if applicable, to receive the notice. If an Aggregator is served under this Program, only the Aggregator shall be notified of the Load Relief Period or Test. The Aggregator is responsible for notifying all of the customers within its respective aggregation group.

2. If the Company designates a Planned Event or a Test, the Company shall provide advance notice at least 21 hours in advance of the event. The Company shall again provide advance confirmation or cancellation notice on the day of the event, usually two or more hours in advance.

3. If the Company designates an Unplanned Event, notice shall be given as soon as practicable. Participants are requested to provide Load Relief as soon as they are able.

4. Participants in the Reservation Payment Option are required to participate during:
   a. all Contracted Hours for all Planned Events called by the Company during the Capability Period, and
   b. Test called by the Company. The Test period shall not exceed one hour. Tests shall occur within the timeframe of Load Relief Periods. Participants in the Voluntary Participation Option shall not be tested.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
GENERAL INFORMATION

35. **Commercial System Relief Program (Cont’d)**

F. **Metering**

1. Participation under this Program requires that each participant’s entire service be measured by interval metering with telecommunications capability used by the Company for monthly billing. If an Aggregator takes service under this Program, all customers of the Aggregator must meet the metering and telecommunications requirements specified herein.

2. If, at the time of application for service under this Program, the Company does not bill the participant monthly using interval metering, the Customer shall arrange for the furnishing and installation of interval metering with telecommunications capability to be used for billing and arrange for telecommunications service, at the participant’s expense.

3. If the Company does not bill the participant monthly using interval metering at the time of application, participation in the Reservation Payment Option shall not commence unless both interval metering and meter communications are operational. If the Company receives a completed application by April 1, service can commence May 1 if interval metering is installed by April 1 and meter communications are operational by April 30. If the Company receives a completed application by May 1, service can commence on June 1 if the interval metering is installed by May 1 and meter communications are operational by May 31. If the application is received by May 1, but the above deadlines for installation of interval metering and meter communications are not met, service shall commence on July 1, provided that interval metering is installed by June 1 and meter communications are operational by June 30.

4. The Company shall install interval metering within 21 business days of the later of the Company’s receipt of an applicant’s payment for an upgrade to interval metering and: (i) evidence that a request has been made to the telephone carrier (e.g., receipt of a job number) to secure a dedicated phone line for a meter with landline telecommunications capability or (ii) the active Internet Protocol (“IP”) address that the wireless carrier has assigned to the modem’s ESN for a meter with wireless capability. If the Company misses the installation time frame for the Reservation Payment Option, it shall make the otherwise earned Reservation Payment to the Direct Participant or Aggregator, unless the meter delay was caused by a reason outside the Company’s control, such as the telephone company’s failure to install a landline or, if, at the Company’s request, the Commission grants the Company an exception due to a condition such as a major outage or storm. The otherwise earned Reservation Payment shall be calculated by determining the number of months between the earliest month in which the customer could have begun participation had the meter been installed within the required timeframe (assuming the Company’s acceptance of a completed application and receipt of payment for the meter upgrade) and the first month following the completed installation, and multiplying that number by the pledged kW and associated per-kW Reservation Payment Rate.

5. The Company shall visit the premises at the request of the Customer to investigate a disruption of normal communications between the phone line or wireless communication and the meter, or operation of external pulses from the meter to the Customer’s energy management equipment. The Company shall charge for its visit based upon the cost to the Company.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
35. Commercial System Relief Program (Cont’d)

G. Data Review
The Company reserves the right to review records and/or operations of any Direct Participant, Aggregator, customer of an Aggregator, or Meter Data Service Provider (“MDSP”) to verify enrollment information and performance associated with any designated Load Relief Period or Test called by the Company. Once the Company initiates a data review, all payments shall be suspended pending the outcome of the review. The Company shall complete its review within 30 days of receipt of all requested data, but no later than December 31 of the calendar year of the Capability Period under review. Any suspended payments shall be reinstated if the Company’s review of the data results in a finding that the enrollment and performance information are correct.

If the Company determines that a Direct Participant, Aggregator, customer of an Aggregator or MDSP failed to cooperate fully and promptly with the review and/or did not fully comply with the provisions of this Rider and/or provided inaccurate data, the Direct Participant or the customer of the Aggregator shall be deemed ineligible to participate in the program until the issue is rectified. In addition, the Direct Participant or Aggregator shall be required to make prompt repayment to the Company of any overpayments that were made to such Direct Participant or Aggregator, on behalf of its customer, for the Capability Period that was reviewed as well as the current Capability Period, if different.

H. Aggregation
1. All customers of an Aggregator must meet the metering and telecommunications requirements of this Program.
2. An Aggregator is responsible for the compliance of all customers it enrolls and shall be liable for performance, including, as applicable, repayments to the Company.

I. Voluntary Participation Option
1. Performance Payments for Load Relief
   Except as specified in Section I.3, the Company shall make Performance Payments to a Direct Participant or Aggregator participating in the Voluntary Participation Option for Load Relief provided during a designated Load Relief Period.

   The Performance Payment rate is $0.50 per kWh.

   The Performance Payment amount paid per event is equal to the applicable Payment Rate multiplied by the average hourly kWh of Load Relief provided during the event multiplied by the number of event hours.

2. Application of Payments
   The Company shall make payment to a Direct Participant or Aggregator, after the end of the program year, for the sum of the payments due for all Load Relief Periods in the Capability Period. Payments shall be made by bill credit, check, or wire transfer.

3. Performance Payments shall not be made under this Program if the Direct Participants or Aggregator (on behalf of its customer) receives payment for energy under any other demand response program (e.g., NYISO’s Day-ahead Demand Reduction Program or NYISO’s Special Case Resources Program) during concurrent Load Relief hours. If a Direct Customer or Aggregator (on behalf of its customer) is enrolled in the Company’s Distribution Load Relief Program for concurrent Load Relief hours, Performance Payment will be made only through the Commercial System Relief Program.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
35. Commercial System Relief Program (Cont’d)

J. Reservation Payment Option
   1. Applicability
      Direct Participants and Aggregators shall receive a Reservation Payment for each Capability Period month in which they are enrolled. The Reservation Payment rate per kW is based on the number of cumulative Planned Events for which the Direct Participant or Aggregator was asked to provide Load Relief during the Capability Period.

   2. Reservation Payments per month are equal to the applicable Reservation Payment rate per kW per month multiplied by the kW of contracted Load Relief multiplied by the Performance Factor for the month. Reservation Payments shall be made under this Program based on the number of Events called during the month.

      The Reservation Payment rate is $4.10 per kW per month for up to four Events per month.

      The Reservation Payment rate is $4.35 per kW per month if five or more Events are called in the month.

   3. Performance Payments for Load Relief
      The Company shall make a Performance Payment per kWh for the first four hours of Load Relief provided during the Load Relief Period.

      The Performance Payment is $0.50 per kWh.
GENERAL INFORMATION

35. Commercial System Relief Program (Cont’d)
   J. Reservation Payment Option (Cont’d)

   4. Bonus Payment
      The Company shall make a Bonus Payment per kWh for the fifth and subsequent hours of Load Relief provided during the Load Relief Period.
      The Bonus Payment is $0.60 per kWh.

   5. Performance Factor
      a) When a Planned Event is called, the Performance Factor is:
         i. The quotient of average hourly kW of Load Relief provided by the Direct Participant or Aggregator during the first four hours of the Load Relief Period and up to the kW of contracted Load Relief.

      b) When a Test is called, the Performance Factor is:
         i. The quotient of the kW of Load Relief provided during the Test Hour by the Direct Participant or Aggregator up to the kW of contracted Load Relief.

      c) When more than one Planned Event and/or Test is called during the month, the Performance Factor is the average of the Performance Factors for the Direct Participant or the average of the Performance Factors for the Aggregator during that month. Where service is taken under this Program by an Aggregator, the kW of contracted Load Relief is measured on a portfolio basis by CBL Verification Methodology.
         i. The Performance Factor for the month is used to calculate Reservation Payments for that month and each month thereafter until the month in which the next Test or Load Relief Period is called by the Company during the current or subsequent year’s Capability Period.
         ii. If the Direct Participant or Aggregator did not participate in the program during the prior Capability Period, and no Load Relief Periods or Tests have been designated since the Direct Participant or Aggregator enrolled in the program, payment for the current month shall be made based on an assumed Performance Factor of 0.50. A subsequent true-up shall be made once an actual Performance Factor is established either via a Test or Load Relief Event. The true-up may result in a credit or a charge to the participant.

      d) The performance factor is truncated to two decimal places and has an upper limit of 1.00 and a lower limit of 0.00.

   6. Application of Payments
      Reservation Payments shall be calculated on a monthly basis. Payments shall be made by bill credit, check or wire transfer.
GENERAL INFORMATION

35. Commercial System Relief Program (Cont’d)

K. Cost Recovery

1. The Company shall collect the costs of this program from all customers pursuant to Rule 25.1.B.1, Transition Charge (Non-Bypassable Charge [“NBC”]). The collection amount shall be allocated to each service classification based upon the Company’s most recent transmission plant allocator.

2. The costs shall be collected from non-demand billed customers on a per kWh basis and from demand billed customers on a per kW.

3. The costs shall be tracked separately and reconciled with revenues collected for the program on an annual basis, inclusive of interest at the effective New York State Public Service Commission’s published customer deposit rate applicable to investor owned utilities.

4. A DLM Statement setting forth the cost values included in the Transition Charge (Non-Bypassable Charge [“NBC”]) by service classification shall be updated annually and filed on not less than one days’ notice. Such statement can be found at the end of this Schedule (P.S.C. No. 120 – Electricity).
36. **Direct Load Control Program**
   
   **A. Applicability**
   All Customers, whether receiving electricity from the Company or an ESCO, unless the customer is required to participate in mandatory Hourly Pricing or voluntarily elects Hourly Pricing.

   **B. Eligibility**
   To participate under this Program, a Customer must have load controllable equipment and install a Control Device, or when applicable, agree to the installation of a Control Device, agree to Program terms and conditions, and agree to allow the Company to control the Control Device for the purpose of this Program.

   **C. Designated Areas of Participation**
   Various Programs shall be offered to eligible customers within the Company’s service territory unless otherwise noted.

   **D. Definitions**
   The following terms are defined for purposes of this Program only:

   **Capability Period**: The period during which the Company can request Load Relief. The Capability Period shall be from May 1 through September 30.

   **Company Designated Area**: An electrically defined area determined by the Company to be approaching system capacity limits during peak periods. A current list of the Company Designated Areas shall be listed on the Company’s website.

   **Control Device**: A device installed on the Customer’s load controllable equipment via a smart plug or embedded control that allows the Company to remotely control the equipment when an Event or Test is called. For purposes of this Program, Control Device means one or more devices as may be required to control the equipment. Each Control device may contain a feature that allows the Customer to override the Company’s control of the Customer’s equipment. The Control Device must be provided, installed, and connected to the Internet by the Company or its Contractor, or it must be installed and connected to the Internet by the Customer who enrolled in the Program through a Service Provider. If an internet connection is not feasible, another connection method may be acceptable at the Company’s discretion.

   **Event**: A period of time when the Company may remotely control the customer’s load-controllable equipment. Events may be declared when:

   1. the NYISO declares an emergency in conjunction with an in-day peak hour forecast response to an operating reserve peak forecast shortage or in response to a major state of emergency as defined in Section 3.2 of the NYISO Emergency Operations Manual, or at the NYISO’s discretion to relieve system or zonal emergencies;
   2. the NYISO activates its Special Case Resources Program in response to a forecast peak operating reserve shortfall; or
   3. the Company determines that a Company designated area peak may occur;
   4. the Company determines that a NYISO or Company peak may occur;
   5. the Company declares a need for emergency or if a voltage reduction of five percent or greater has been ordered.

   **Load Relief**: Energy (kWh) that is ordinarily delivered by the Company that is reduced by the Participating Customer.

   **Load Relief Period**: The hours for which the Company requests Load Relief when it designates an Event or a Test.

   **Service Provider**: A provider registered with the Company to develop, maintain, and operate a communications portal that enables Internet-connected Control Devices to participate under this program. A list of current Service Providers is available on the Company’s website.

   **Test**: The Company’s request to provide up to four hours of Load Relief to determine program capabilities.
36. **Direct Load Control Program (Cont’d)**

**E. Applications**

Applications to participate under this program may be made electronically at a Company designated website.

**F. Customers Receiving a Control Device From the Company**

The option is available at the Company’s discretion. The Company may limit availability to customers residing in a Company Designated Area.

1. Customers who receive a Control Device from the Company shall be enrolled in the Program and agree to allow the Company to control the Control Device for the purpose of this Program. The Control Device shall become the Customer’s property upon installation.
2. At the Company’s discretion, the Company may offer installation services of a Control Device.
3. At the Company’s discretion, the Company may offer a sign-up and/or annual incentive to customers who receive a Control Device from the Company after the Control Device is installed. Customers who fully participate in Tests or Events are eligible for a participation incentive for each Test or Event. Incentive amounts and means of payment shall be determined by the Company.

**G. Customers Enrolling a Control Device Through a Service Provider**

This option is open to all qualified customers in the Company Service Territory.

Customers who enroll in the Program through a Service Provider with their own Control Device or a Control Device provided by a Service Provider shall receive a one-time enrollment incentive. Customers who fully participate in Tests or Events are eligible for a participation incentive. Incentive amounts and means of payment shall be determined by the Company.

**H. Restrictions**

This Program is not available to customers who participate, either directly or indirectly through a third party, under any other Company or NYISO demand-response Program. This includes, but is not limited to, the NYISO Special Case Resources (SCR) Program (or any applicable Company Program that is intended to take the place of the NYISO SCR Program), the Company’s Distribution Load Relief Program or Commercial System Relief Program.

**I. Cost Recovery**

1. The Company shall collect the costs of this program from all customers pursuant to Rule 25.I.B.1, Transition Charge (Non-Bypassable Charge [“NBC”]). The collection amount shall be allocated to each service classification based upon the Company’s most recent primary distribution demand allocator.
2. The costs shall be collected from non-demand billed customers on a per kWh basis and from demand billed customers on a per kW basis.
3. The costs shall be tracked separately and reconciled with revenues collected for the program on an annual basis, inclusive of interest at the effective New York State Public Service Commission’s published customer deposit rate applicable to investor owned utilities.
4. A DLM Statement setting forth the cost values included in the Transition Charge (Non-Bypassable Charge [“NBC”]) by service classification shall be updated annually and filed on not less than one days’ notice. Such statement can be found at the end of this Schedule (P.S.C. No. 120 – Electricity).
37. Community Distributed Generation

A customer may participate in Community Distributed Generation (“CDG”) as provided herein.

The CDG Host and CDG Satellites must meet all terms and conditions of this Rate Schedule and the requirements of the PSC that are adopted pursuant to its Orders issued in Case 15-E-0082 and Case 15-M-0180, as they may be amended or superseded from time to time.

1. Definitions

   Operating Agreement: Details the process and contractual agreement between the Company and CDG Host.

   CDG Host: A non-residential customer that owns or operates electric generating equipment eligible for net metering under this Rule and whose net energy produced by its generating equipment is applied to the accounts of other electric customers (“CDG Satellites”) with which it has a contractual arrangement related to the disposition of net metering credits.

   CDG Host Anniversary Month: 11 months from the CDG Host’s initial CDG bill period start date. The CDG Host Anniversary month cannot be modified or changed.

   CDG Satellites: A customer who is participating in a CDG Program. Each customer shall own or contract for a proportion of the credits accumulated at the meter of the CDG Host.

   Excess Generation: The electricity (kWh) supplied by the CDG Host to the Company during the billing period that exceeds the electricity (kWh) supplied by the Company to CDG Host. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak, the excess is calculated and maintained for each peak. For hourly billed customers, excess generation is calculated for each hourly period.

   Net-Metered Generation Facility: A generation facility eligible for net metering as a non-residential customer in conformance with PSL 66-j or 66-1, limited in size consistent with those statutes, located behind a host meter attached to a load under either a demand or non-demand classification.

2. Initial and Subsequent Applications by CDG Hosts

   The CDG Host must be a non-residential customer with a Net-Metered Generation Facility. The CDG Host must certify in writing to the Company, both prior to commencing net metered service under CDG and annually thereafter, that it has met all program criteria set forth in the Commission’s Orders, including but not limited to certifying that they can satisfy all obligations assumed with respect to project members and other requirements established by the Commission.

   a. A CDG Host shall comply with the requirements set forth in the UBP-DER Addendum.

   b. Initial Allocation Requests: At least 60 days before commencing net metered service under CDG, the CDG Host shall designate in its initial application for CDG service the CDG Host Account and CDG Satellite Accounts that shall receive net metered service under CDG.

      i. Accepted Allocation Requests shall be effective with the first full Host Account billing period from the later of 60 days after receipt of such request or effective date of interconnection.

   c. Subsequent Allocation Requests: After commencing net metered service under CDG, the CDG Host may modify its CDG Satellite Accounts and/or the percentage allocated to itself or one or more of its CDG Satellite Accounts once per CDG Host billing cycle by giving notice to the Company no less than 30 days before the CDG Host Account’s cycle billing date to which the modifications apply.

      i. Accepted Allocation Requests shall be effective with the next full Host Account billing period 30 days after the receipt of such request

      ii. For bi-monthly billed CDG Host Accounts, allocation requests should be submitted bi-monthly and musts be received by the Company no less than 30 days before the CDG Host Accounts bi-monthly bill date.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
37. Community Distributed Generation (Cont’d)
   3. CDG Host Submission Requirements Applicable to 2a and 2b Above:
      a. A CDG Host that provides a CDG Satellite’s name and account number to the Company (and such other
         information as the Company may require to verify the customer’s account based on the information provided),
         as described in the Company’s CDG Operating Agreement, is certifying that it has written authorization from
         the customer to request and receive that customer’s historical usage information and, upon enrolling a CDG
         Satellite Account, that it has entered into a written contract with such customer. The Company shall not be
         responsible for any contractual arrangements or other agreements between the CDG Host and CDG Satellite,
         including contractual terms, pricing, dispute resolution, and contract termination.
      b. The CDG Host must designate no fewer than 10 CDG Satellite Accounts that meet the specifications set forth in
         Section 3, except when the project is located on the site of a property serving multiple residential or non-
         residential customers. CDG Satellite Account Requirements are provided below.
      c. Satellite allocations of Host Account Excess Generation should be specified in a percentage up to three decimal
         places of accuracy.
      d. The total allocations must equal 100% including any portion to be designated to the CDG Host.
      e. Submittals in which allocations that do not equal 100.000% shall be rejected, and the CDG Host must submit a
         new allocation percentage 60 days before net metered service shall commence.
      f. No more than 40% of the Excess Generation of the CDG Host may serve a CDG Satellites of 25 kW or greater
         (for those members collectively); provided, however, that the CDG Host may include each dwelling unit located
         within a multi-unit building and served indirectly as though it were a separate participant for determining
         whether the 10 CDG Satellite Account minimum and 40% output limits are reached.
      g. A CDG Host Account shall not be a Remote Net Metered Host or Satellite Account. If the CDG Host Account
         was previously established under Remote Net Metering as an energy-only account and its Satellite Accounts
         receive monetary crediting, the CDG Host must permanently surrender its rights to monetary crediting under a
         non-demand service classification before participating in CDG.
      h. The CDG Host shall submit a completed application via an electronic transfer to the Company, and shall certify
         to the Company that its project meets the PSC’s eligibility requirements as specified in its Orders in Case 15-E-
         0082 and as may be revised thereafter.
      i. A CDG Host shall recertify on an annual basis they continue to meet all requirements as set forth in this Rule
         and in the CDG Operating Agreement.

4. CDG Satellite Account Requirements
   a. A CDG Satellite Account shall have only one CDG Host Account.
   b. All associated CDG Satellite Accounts must be located within the Company’s service territory and within the
      same NYISO zone as the CDG Host Account.
   c. The CDG Satellite Account shall not be a net metered customer-generator or a Remote Net Metered Host or
      Satellite Account or take Standby Service under S.C. No. 11.
   d. Each CDG Satellite Account must take a percentage of the output of the CDG Host’s Excess Generation. The
      percentage must amount to at least 1,000 kWh annually but may not exceed the CDG Satellite Account’s
      historic average annual kWh usage (or forecast usage if historic data is not available).
   e. A non-metered account may qualify as a Satellite Account if the CDG Host is being compensated based on a
      monetary crediting methodology pursuant to Rule 40, Value of Distributed Energy Resources (“VDER”).

5. Process and Customer Protections
   a. The Company’s CDG Operating Agreement details the format and requirements for CDG application
      submissions.
   b. Additionally, the Company’s CDG Operating Agreement sets forth consumer protections required of CDG
      Hosts, which may be in addition to, or as modified by, the Uniform Business Practices for Distributed Energy
      Resource Providers, to be issued by the Commission.
   c. A CDG Host may not request termination or suspension of the Company’s electric service to a CDG Satellite
      Account.
   d. Service under this Rule shall terminate if the Company is notified by the Commission that a CDG Host is no
      longer eligible; if the CDG Host withdraws from CDG participation; or if the Company terminates service to the
      CDG Host Account. In such cases, the Account Closure provisions set forth in Section 9 of this Rule shall
      apply.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
37. Community Distributed Generation (Cont’d)

6. Metering Requirement
   a. For a CDG Host with a Net Metered Generation Facility that has completed Step 8 of the SIR Addendum-SIR or has installed Net Metered Generation Facility on or prior to March 9, 2017 (“Existing”), the Company shall install metering appropriate for the customer’s service classification that enables the Company to measure the electricity delivered to the customer and measure the electricity supplied by the customer to the Company. Where the Company determines that a second meter should be installed, no additional costs shall be billed to the customer. When a second meter is requested by the customer that is not required by the Company, the customer shall be responsible for the cost of the meter, the installation, and any additional costs.
   b. For a CDG Host with a Net Metered Generation Facility that does not meet the requirements in 6.a., the Company shall install metering capable of recording net hourly consumption and injection for a customer. The customer shall be responsible for the cost of the meter, the installation, and any additional costs.
37. **Community Distributed Generation (Cont’d)**

7. Calculation and Application of Credits

1. The Company shall calculate credits in accordance with 4.) below for a customer that has completed Step 8 of the SIR Addendum-SIR or has installed Net Metered Generation Facility on or prior to March 9, 2017, for the life of the Net Metered Facility (“Existing”).

2. The Company shall calculate credits in accordance with 4.) below for a customer that installs a Net Metered Generation Facility and does not meet the date requirement in 1.) above (i.e., installed after March 9, 2017) for a period of up to 20 years from the project’s in-service date (“Phase One NEM”) if the customer has:
   a. made payment for 25% of its interconnection costs, or has its Standard Interconnection Contract executed if no such payment is required as of July 17, 2017, and
   b. prior to the Company exceeding its 56 MW capacity limit.

3. The Company shall calculate credits in accordance with Rule 40.B, Value of Distributed Energy Resources, Value Stack, for a Net Metered Generation Facility that does not meet the requirements in 1.) and 2.) above.

4. Calculation and Application of:

   a. **Monetary Credits:**
      A CDG Host Account that is: demand-billed; or has farm waste electric generating equipment Facility Located and Used at its Premises; or has fuel cell electric generating equipment, shall receive monetary credits in a month where the Host Account has Excess Generation. The monetary credit shall first be applied to any outstanding charges on the Host Account’s current electric bill.
      i. Excess Generation shall be converted to the equivalent monetary value at the per kWh rate applicable to the Host Account’s service classification for a demand-billed customer that does not have farm waste electric generating equipment at its Non-Farm Location; or does not have fuel cell electric generating equipment.
      ii. Excess Generation shall be converted to the equivalent monetary value at the Company’s Buy Back Service Classification No. 10 for a customer with farm waste electric generating equipment at its Non-Farm Location; or fuel cell electric generating equipment.
   
   Any remaining monetary credits shall be allocated to each Satellite Account in accordance with the Host Account’s current electric bill.

   b. **Volumetric Credits:**
      All other CDG Hosts and their Satellites shall receive volumetric credits in a month where the Host Account has Excess Generation:
      i. Any Excess Generation from the CDG Host shall be allocated to each Satellite Account in accordance with the Host Account designation pursuant to Section 3.
      ii. As each Satellite Account is billed, excess kWh designated to the Satellite Account is converted to a monetary credit and applied to the per kWh charges on the Satellite Account and if applicable, Company supply charges or Consolidated Bill charges from the ESCO. Monetary credits are calculated using the per kWh rate for the Service Classification applicable to the Satellite Account. If a credit remains after applying to the Satellite Account, the credit is converted back to kWh based on the per kWh rate for the Service Classification applicable to the Satellite Account.

   c. If a monetary or volumetric credit remains after applying to the Satellite Account, the remaining credit shall remain on the Satellite Account until used. Satellite credits shall not expire at the end of an annual period.

   d. Any unallocated credits or allocations retained at the CDG Host Account, shall be combined with the next month’s volumetric or monetary credits to be applied to the CDG Host Account and Satellite Accounts, as applicable.

   e. If the CDG Host Account was previously established as a net metered customer-generator or Remote Net Metered Host, any outstanding credits shall be included in the CDG Host’s first bill pursuant to this Rule.

   f. If the Company is unable to obtain an actual meter read for Host Accounts, the Company shall not be required to estimate Excess Generation output for determining credits to be applied to CDG Satellites.
      i. CDG Host Accounts meters that are read every other month and shall be billed every other month.

**ISSUED BY:** Joseph J. Syta, Vice President, Controller and Treasurer, Binghampton, New York
GENERAL INFORMATION

37. Community Distributed Generation (Cont’d)

8. Annual Allocation Requests
   A. The CDG Host may choose to submit a one-time annual allocation request to fully distribute 100% of the credits to its members.
      i. The CDG Host may furnish to the Company an Annual Allocation request no less than 15 days prior to the Host’s bill period starting in the Anniversary Month. An allocation is effective for a one-time allocation only and supersedes any other allocation requests for the anniversary month bill period.
         a. The most recent Allocation Request in effect prior to the Annual Allocation Request shall continue to be applied to all on-going allocations unless a new Subsequent Allocation request is submitted.

If an Annual Allocation Request is not received, allocations shall be made in accordance to the allocation request in effect.

CDG Host Account shall have up to a two-year grace period following the CDG Host’s Anniversary month to distribute excess credits they retain at the end of the annual period. If the CDG Host Account has any annual credits remaining at the end of the two-year grace period, it shall forfeit a number of credits equal to the smallest number of credits that were in the CDG Host’s account at any point during the grace period.

A CDG Host shall only be permitted to retain credits for distribution during the two-year grace period if those credits remain after the Host has distributed as many credits as practicable to Satellite Accounts, such that each Satellite Account’s consumption in the final month of the annual period has been fully offset.

9. Account Closure
   a. The Company shall require an actual meter reading to close a CDG Host Account or CDG Satellite Account taking service pursuant to CDG.
   b. The Company shall close an account on the earlier of: (a) the first cycle date on which a reading is taken following the requested turn off date, or (b) the date of a special reading, which a Customer may request at the charge specified in General Information Section 16.D.6.(c).
   c. After a CDG Host customer’s final bill is rendered, any remaining credit shall not be transferred. A CDG Host with Farm Wind or Farm Waste electric generating equipment shall receive a final cash out at avoided cost.
   d. A CDG Satellite Account shall no longer receive credits after the final bill is rendered on its account. Any remaining credits, after application to the Satellite Account’s final bill, cannot be transferred and shall be forfeited.

9. Liability
   Notwithstanding any other provision of this tariff, in case the supply of service shall be interrupted or irregular or defective or fail from causes beyond the Company’s control (including without limiting the generality of the foregoing executive or administrative rules or orders issued from time to time by State or Federal officers, commissions, boards or bodies having jurisdiction), or because of the ordinary negligence of the Company, its employees, servants or agents, the Company shall not be liable therefore.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
GENERAL INFORMATION

38. Rate Adjustment Mechanism (“RAM”)

A. Applicable to all customers taking electric delivery service.

B. RAM Eligible Deferrals and Costs:
   All RAM Eligible Deferrals and Costs shall be the difference between actual costs and the amounts provided for in base rates. RAM Eligible Deferrals and Costs shall include:
   1. Property Taxes;
   2. Major Storm Deferral Balances; and
   3. Reforming the Energy Vision (“REV”) costs and fees which are not covered by other recovery mechanisms
   4. Company Electric Pole Attachment Revenue Requirements

All RAM revenues and deferrals are subject to reconciliation.

C. Annual RAM Recovery / Return Limits:
   The annual RAM recovery / return shall be limited to $19.3 million for electric. The RAM will only be implemented for the Company once the limit is reached from netting the RAM Eligible Deferrals. Any net RAM Eligible Deferral value in excess of the limit shall remain deferred and shall be carried forward to the calculation of the RAM limits in the following year. Any net regulatory asset or liability in excess of the Company’s annual RAM recovery / return limit shall be carried forward to the calculation of the RAM in the following year.

D. Deferred Regulatory Asset and Liability Balances:
   The Company shall measure the deferred regulatory asset and liability balances for the items specified as RAM Eligible Deferrals and Costs (listed above) as of December 31 for each year. The RAM shall be identified in the Company’s respective RAM Compliance Filings submitted on March 31 of each year and shall be implemented in rates on July 1 of each year for collection over the 12 months from July 1 to June 30. The RAM Compliance Filings will include proposed RAM rates by service classification. Annually, the Company will submit RAM tariff statements effective on July 1.

The first RAMs shall be effective July 1, 2017 based on eligible deferred balances as of December 31, 2016.

E. RAM Annual Recovery / Return Allocation:
   The electric RAM annual recovery/ return amounts shall be allocated to service classifications based on delivery service revenues and recovered on a per kWh basis for non-demand customers, on a per kW basis for demand billed customers, and per As-Used Demand basis for Standby customers.

F. Carrying Costs:
   The Company shall accrue carrying costs on RAM Eligible Deferrals and costs as follows:
   1. During the period that the RAM is in effect for those deferral balances being specifically collected or returned, carrying costs shall be based on the Commission’s authorized Other Customer Capital Rate.
   2. RAM Eligible Deferral Balances not in the RAM tariff due to the annual dollar amount restrictions set forth above shall accrue carrying charges as follows:
      i. Net Deferral amounts at or under the annual RAM recovery / return limits shall accrue carrying charges at the Other Customer Capital Rate;
      ii. Additional deferral amounts over the annual RAM recovery / return limits, up to one year’s worth of value, shall accrue carrying costs at the Other Customer Capital Rate; and
      iii. Additional deferral amounts over the annual RAM recovery / return limits in Rule 38.F.2.i and 2.ii above, shall accrue carrying costs at the Company’s respective Pre-Tax Weighted Cost of Capital, applied to the after-tax balance.

G. Filings and Statements:
   1. A RAM Compliance Filing setting forth the RAM rates by Service Classification shall be filed with the Commission by March 31 on an annual basis.
   2. A RAM Statement setting forth the RAM rates shall be filed with the Commission on not less 30 days’ notice to be effective July 1. Such statement may be found at the end of this Schedule.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
GENERAL INFORMATION

39. Clean Energy Standard ("CES") Collection

A. The Clean Energy Standard (CES) surcharge recovers costs associated with the procurement of Renewable Energy Credits (RECs) that supports generation by renewable sources; the purchase of Zero-Emission Credits (ZECs) that supports qualified zero-emissions nuclear power plants; and costs associated with Alternative Compliance Payment (ACPs), if applicable, for any shortage of RECs needed for the Company to meet its obligations from Non-Retail Access customers.

The Clean Energy Standard (CES) also recovers costs associated with contracts signed by NYSERDA to maintain certain baseline renewable resources at risk of attrition (Tier 2 Maintenance Contracts) and cash shortages that may have resulted from NYSERDA’s CES activities (Backstop Charges) through the System Benefits Charge (SBC) from all customers, including those customer with energy usage that is exempt from the SBC.

B. RECs, ZECs, and if applicable, ACPs, shall be recovered from all Non-Retail Access customers through the Supply Adjustment Charge Component as set forth in General Information Rule 25.

i. The costs for the RECs shall be recovered by dividing the annual REC costs, including an allowance for uncollectibles, by projected kWh sales and adding to the Supply Adjustment Charge Component.
   a. REC costs shall be reconciled on an annual basis.

ii. The costs for the ZECs shall be recovered by dividing the annual ZEC costs, including an allowance for uncollectibles, by projected kWh sales and adding to the Supply Adjustment Charge Component.
   a. ZEC costs shall be reconciled on an annual basis.

iii. The costs for the ACP shall be recovered by dividing the annual ACP costs, including an allowance for uncollectibles, by projected kWh sales and adding it to the Supply Adjustment Charge Component.
   a. ACP costs shall be reconciled on an annual basis.

C. Tier 2 Maintenance Contracts and Backstop Charges shall be recovered from all customers through the System Benefits Charge as described in Rule 4.

D. The Company shall file a CES Statement on not less than 15 days’ notice. The Statement shall set forth the surcharge rates as described in Rule 39.B. above.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
40. Value of Distributed Energy Resources (“VDER”)

A. Phase One Net Energy Metering (“NEM”)

1. Eligibility
   a. Any customer, residential or non-residential, who owns or operates electric generating equipment ("Facility"), as defined in Public Service Law (“PSL”) §66-j, limited in size in conformance with the statute for each facility type and customer type that generates electric energy. A customer may include energy storage equipment when submitting an application for net metering pursuant to this Rule.
      i. To comply with the 2 MW generation capacity limit applicable to solar generating equipment, each solar array of not more than 2 MW shall be:
         a. Separately metered and interconnected to the Company’s distribution system;
         b. Located on a separate parcel;
         c. Independently operated from any other project;
   b. A customer taking service pursuant to Rule Nos. 22, 26, 27, 29, 30, or 31 may opt to take service under this Rule. Such election shall be a one-time election and shall be irrevocable.
   c. A DER Provider shall comply with the requirements set forth in the UBP-DER Addendum.

2. Available To
   a. Phase One NEM shall be available to a customer with a project interconnected on or after March 10, 2017 and to projects for which Standard Interconnection Requirement Step 4 (for projects 50kW or less) or Step 8 (for projects greater than 50kW), as applicable, was not completed by March 9, 2017 as follows:
      i. Mass market on-site projects, defined as projects located behind the meter of a residential or small commercial customer that is not billed based on demand, that are not used to offset consumption at any other site and interconnected before the earlier of January 1, 2020, or a Commission order directing modification;
      ii. Large on-site projects, defined as projects located behind the meter of a non-residential customer that is billed based on demand or subject to the provisions of the Company’s Hourly Pricing Provision, that are not used to offset consumption at any other site for which 25% of interconnection costs have been paid, or a Standard Interconnection Contract has been executed if no such payment is required, on or before July 17, 2017;
      iii. A project eligible for Remote Net Metering pursuant to the Special Provisions within Rules 22, 27, 29, and 31 for which 25% of interconnection costs have been paid, or a Standard Interconnection Contract has been executed if no such payment is required, on or before July 17, 2017; and
      iv. A project eligible for Community DG pursuant to Rule 37 for which 25% of interconnection costs have been paid, or a Standard Interconnection Contract has been executed if no such payment is required, on or before July 17, 2017, up to a total rated generating capacity of 28 MW. In the event that capacity remains below this threshold which would accommodate a portion of an eligible project, the provisions of this Rule shall be available to the entire project.
   b. A customer that meets the requirements of 2.a.i or 2.a.ii above shall be permitted to include energy storage technology with their Facility and remain eligible for Phase One NEM.
   c. A change in ownership shall not affect the compensation term.
   d. A customer (Host Account) that meets the requirements of 2.a.iii. or 2.a.iv. above shall be permitted to designate non-metered account(s) as a Satellite Account if the Host Account is being compensated based on a monetary crediting methodology under this Rule, Value of Distributed Energy Resources (“VDER”).
   e. A customer installing a Facility that does not meet the requirements above in 2.a shall refer to Rule 40.B Value Stack.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
GENERAL INFORMATION

40. Value of Distributed Energy Resources (“VDER”) (Cont’d)

A. Phase One Net Energy Metering (“NEM”) (Cont’d)

3. Billing and Compensation Term
   a. For each billing period during the term of the SIR Contract, the Company shall net the electricity (kWh) delivered to the customer with the electricity (kWh) supplied by the customer to the Company. The Company shall calculate credits in accordance with Billing provision in Rules 22, 26, 27, 29, 30, or 31 as applicable to the type of Facility, for a period of 20 years from the project’s in-service date, except for customers that are grandfathered pursuant to the Special Provisions within Rules 22, 27, 29, and 31 for Remote Net Metering. Such grandfathered customers shall be permitted to complete their term in accordance with the Special Provision.
   b. The value of any credit remaining on a customer’s account for excess electricity produced by the customer-generator (Facility) shall continue to carry over to the next monthly billing period. Any unused credits at the end of project’s compensation term shall be forfeited.

4. Metering
   a. The Company shall install metering appropriate for the customer’s service classification that enables the Company to measure the electricity delivered to the customer and measure the electricity supplied by the customer to the Company for a customer that meets the requirements of 2.a.i or 2.a.ii above.
   b. For all other projects, the Company shall install metering capable of recording net hourly consumption and injection for a customer. The customer shall be responsible for the cost of the meter, the installation, and any additional costs.
   c. Where the Company determines that a second meter should be installed, no additional costs shall be billed to the customer. When a second meter is requested by the customer that is not required by the Company, the customer shall be responsible for the cost of the meter, the installation and any additional costs.

5. Interconnection
   a. Customers electing service under this provision must operate in compliance with standards and requirements set forth in the Distributed Generation Interconnection Requirements found in P.S.C. No. 119, Section 9 and Addendum-SIR to P.S.C. No. 119. In addition, customers must execute the New York State Standardized Contract For Interconnection of New Distributed Generation Units With Capacity of 2 MW or Less Connected in Parallel with Utility Distribution Systems (“SIR Contract”), as contained within Addendum-SIR of P.S.C. No. 119.
   b. The customer shall be responsible for costs for a dedicated transformer(s) or other equipment, should it be deemed necessary by the Company, pursuant to the Addendum-SIR to P.S.C. No. 119. In the event that the total rated generating capacity of electric generating equipment that provides electricity to the Company through the same local feeder line exceeds twenty percent of the rated capacity of the local feeder line, the customer owning or operating such equipment may be required to comply with additional measures to ensure the safety of the local feeder line.
GENERAL INFORMATION

40. Value of Distributed Energy Resources (“VDER”): (Cont’d)

B. Value Stack:

1. Eligibility:
   a. Any customer, residential or non-residential, who owns or operates electric generating equipment (“Facility”), as defined in Public Service Law (“PSL”) §66-j or PSL §66-l, limited in size as set forth in the table below:

<table>
<thead>
<tr>
<th>Generator Type</th>
<th>Size Limit on System</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Residential</td>
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<tr>
<td>Solar</td>
<td>25 kW</td>
</tr>
<tr>
<td>Micro-hydroelectric</td>
<td>25 kW</td>
</tr>
<tr>
<td>Fuel Cell</td>
<td>10 kW</td>
</tr>
<tr>
<td>Micro-CHP</td>
<td>10 kW</td>
</tr>
<tr>
<td>Farm Waste</td>
<td>Up to 5 MW</td>
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<tr>
<td>Wind</td>
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<tr>
<td>Farm Wind</td>
<td>500 kW</td>
</tr>
</tbody>
</table>

   A customer may include energy storage equipment when submitting an application for net metering pursuant to this Rule.

   To comply with the 5 MW generation capacity limit, each generator of not more than 5 MW shall be:
   a. Separately metered and interconnected to the Company’s distribution system;
   b. Located on a separate parcel; and
   c. Independently operated from any other project.

   b. A customer taking service pursuant to Rule Nos. 22, 23, 26, 27, 29, 30, 31, 37, or Rule 40.A, Phase One NEM may opt to take service under this Rule. Such election shall be a one-time election and shall be irrevocable.
      i. An existing customer with a Facility that is sized less than 2 MW may have the capability, based on existing design and location, to increase the capacity of the Facility up to 5 MW. If an existing customer chooses to increase the size of its Facility, the Facility shall receive compensation pursuant to the Value Stack for the entire project.
      ii. An existing customer taking service pursuant to Rule 37, Community Distributed Generation, that chooses to increase the capacity of their Facility greater than 2 MW, up to 5 MW, may be assigned to a new Tranche as described in Rule 40.B.6.vi.

   c. A customer with an existing generator sized between 2 MW and 5 MW, that otherwise meets the eligibility requirements pursuant to PSL §66-j or PSL §66-l and herein, taking service pursuant to Service Classification No. 10; or receives compensation through bilateral contracts or the NYISO; may make a one-time irrevocable election to opt to take service pursuant to their otherwise applicable Service Classification and receive compensation for excess generation pursuant to this Rule, 40.B, Value Stack.

   d. Expansion or Consolidation Projects Under Development
      Interconnection applications for new projects sized between 2 MW and 5 MW, proposals to increase the capacity of existing projects, and proposals to increase the capacity of projects currently in the interconnection queue may be submitted to the Company. If Tranche limits are exceeded, Projects currently in the interconnection queue may not be consolidated until further consideration and action on proposed SIR changes has been taken by the Commission.

   e. A customer taking service pursuant to this Rule shall be required to install metering equipment capable of recording hourly net consumption and net injections.

   f. A DER Provider shall comply with the requirements set forth in the UBP-DER Addendum.
GENERAL INFORMATION

40. Value of Distributed Energy Resources (“VDER”): (Cont’d)

B. Value Stack: (Cont’d)

2. Applicable To:
The Value Stack shall be applicable to a customer interconnecting a Facility that is:
(a) not eligible for Grandfathered Net Metering as set forth in the Remote Net Metering provisions of Rule Nos. 22, 23, 27 or 31; or
(b) is not eligible for Phase One NEM as set forth in Rule 40.A; or
(c) has made a one-time irrevocable election to opt-in to the Value Stack.

3. Definitions:
a. “Mass Market Customer” means a customer billed pursuant to a residential service classification or a small commercial customer that is not billed based on demand and whose electric generating equipment supplies energy to a single account behind the same meter as the generating equipment.
b. “Net injection” or “Net hourly injection” is the amount of excess energy produced by a customer’s electric generating equipment beyond the customer’s usage that is fed back to the Company’s system for a customer served under the Value Stack Tariff.

4. Compensation:
The Company shall calculate the credit by multiplying the Value Stack Components, as applicable, by the net export net hourly injections to determine the total value of the credit. The credit values shall be set forth on the VDER-Cred Statement and filed on not less than one days’ notice.

5. Cost Recovery:
The Company shall recover the costs for the credits paid to customers for each of the Value Stack Components pursuant to Rule 25.B.1, Transition Charge (Non-Bypassable Charge or [“NBC”]) and the Supply Adjustment Charge pursuant to Rule 25.C. Commodity Charge. The cost values shall be set forth on the VDER CR Statement and filed on not less than one days’ notice.

6. The Value Stack Components:
i. Value Stack Energy Component
The compensation for energy under this provision shall be calculated based on the Facility’s hourly metered net generation and the hourly energy price. The hourly energy price is the New York Independent System Operator (NYISO) Day-Ahead Market (DAM) Location Based Marginal Price (LBMP) for the Zone in which the Facility is electrically connected, adjusted for system losses. The DAM LBMP prices shall be the initial published DAM LBMP prices acquired by the Company. The credit for the Facility shall not be recalculated if such prices are modified by the NYISO at a later date.
GENERAL INFORMATION

40. Value of Distributed Energy Resources (“VDER”): (Cont’d)

B. Value Stack:
   6. The Value Stack Components: (Cont’d)
      ii. Value Stack Capacity Component

1. The capacity component is determined from the NYISO’s monthly and spot capacity auctions for the capacity zone in which the customer-generator is electrically connected.

2. A customer-generator with intermittent generation (i.e., solar or wind electric generating equipment) shall select from the following Alternatives in Section 5. below for calculating the compensation of the Value Stack Capacity Component (“Capacity Compensation”). If no selection is made, the Capacity Compensation shall default to Alternative One. A customer-generator with dispatchable generation (i.e., all other electric generating equipment served under this Rule) shall be required to receive Capacity Compensation under Alternative Three.

3. A customer-generator with intermittent generation (i.e., solar or wind electric generating equipment) may submit a request for a change in compensation as follows:
   a. compensation under Alternative 1 may switch to compensation under Alternative 2 or to Alternative 3;
   b. compensation under Alternative 2 may switch to Alternative 3.
   c. a project compensated under Alternative 2 may not switch to Alternative 1, and a project compensated under Alternative 3 may not switch to Alternative 1 or Alternative 2.

4. Should the NYISO adjust the New York Control Area peak to reflect capacity provided by customer generation, the Company shall adjust the Value Stack Capacity Component for each of the Alternatives accordingly.

5. Alternatives for Capacity Compensation
   a. Alternative One: the capacity credit shall be equivalent to the Capacity Component as calculated pursuant to Rule 25.C for Service Classification No 2 multiplied by the net export generation of the Facility for the billing period.
   b. Alternative Two: the capacity credit shall use the capacity costs calculated under Alternative One, however, the costs used to develop the credit are concentrated over the 460 peak summer hours: hours 14:00 through 18:00 each day in June, July and August. The resulting rate per kWh will be multiplied by the net export generation of the project in those 460 hours. The credit is assumed to be zero in the hours and months not identified herein. A customer-generator must elect Alternative 2 by May 1st to be eligible to receive Value Stack Capacity Component via this alternative beginning June 1st of that summer. A customer-generator electing Alternative 2 after May 1st will remain on Alternative One until April 30th of the following calendar year.
   c. Alternative Three: shall be equivalent to the customer-generator’s service classification capacity cost and shall be calculated by multiplying the customer-generator’s net energy export during the New York Control Area peak of the previous calendar year by the customer’s capacity component based on their Facility’s net export generation.

6. The Capacity Component shall be set forth on the VDER-Cred Statement.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
40. Value of Distributed Energy Resources (“VDER”): (Cont’d)

B. Value Stack:

6. The Value Stack Components: (Cont’d)

iii. Environmental Component:

1. A Facility opting into the Value Stack shall receive the Environmental Component compensation for renewable attributes except for those that opt to receive compensation through the Renewable Portfolio Standard, including the Maintenance Tier, or through Tier 2 of the Clean Energy Standard.

2. The compensation for the Environmental Component shall be fixed at the time the customer-generator pays 25% of the interconnection cost, or where no such payment is required, at the time the interconnection agreement is signed and calculated by multiplying the total net export generation for the billing period by the customer-generator onto the Company’s system by the Environmental Component. The Environmental Component rate shall be the higher of:
   a. the Tier 1 Renewable Energy Credit (“REC”) price per kwh generated as published by NYSERDA; or
   b. the Social Cost of Carbon, net of the expected Regional Greenhouse Gas Initiative allowance values, as calculated by NYS Department of Public Service Staff.

3. A customer receiving compensation for the Environmental Component shall transfer ownership of the RECs to the Company.

4. The Environmental Component shall be fixed for the term of compensation for the Facility. The Environmental Component shall be provided on the VDER-Cred Statement.

iv. Demand Reduction Value (“DRV”) Component:

a. A credit per kW shall be provided for the Facility’s potential contribution to the distribution system.

b. DRV Component compensation shall not be provided for the portion of the project that receives a Market Transition Credit (“MTC”) as described in Rule 40.B.4.vi.

c. The DRV Component shall be fixed at the time the customer-generator pays 25% of the interconnection cost, or where no such payment is required, at the time the interconnection agreement is signed and then fixed for a period of three years from a project’s date of interconnection. The DRV may be adjusted every three years from a project’s date if interconnection for the rest of the project’s term of compensation pursuant to this Rule. The DRV Component shall be set forth on the VDER-Cred Statement.

v. Locational System Relief Value (“LSRV”) Component: A customer that interconnects their Facility in pre-identified locations shall receive a LSRV credit.

a. A credit per kW shall be provided for the Facility’s potential contribution to the distribution system if the Facility is interconnected on a circuit designated for LSRV compensation.

b. Compensation for the LSRV Component shall be fixed at the time the customer-generator pays 25% of the interconnection cost, or where no such payment is required, at the time the interconnection agreement is signed and then fixed for a period of ten years from the time the project’s date of interconnection.

c. The LSRV may be adjusted every three years.

d. The pre-identified locations and LSRV Component shall be set forth on the VDER-Cred Statement.
GENERAL INFORMATION

40. Value of Distributed Energy Resources (“VDER”): (Cont’d)

B. Value Stack:
   6. The Value Stack Components: (Cont’d)
      
      vi. Market Transition Credit (“MTC”):
          a. The MTC shall be applicable to the Mass Market customers opting in to Value Stack and to projects participating in Community DG pursuant to Rule 37 with Mass Market subscribers. The MTC shall be applied to the mass market allocation of their net energy export as determined by the project’s Tranche assignment and the customer’s Service Classification.
          b. A customer taking service pursuant to Rule 37, Community Distributed Generation, with a Facility that is sized less than 2 MW may have the capability, based on existing design and location, to increase the capacity of the Facility(ies) up to 5 MW.
             i. An expanded or consolidated project shall receive MTC compensation based on their current Tranche assignment if the total capacity of the expanded or consolidated project does not exceed the Tranche MW limit. If the increased capacity exceeds the available Tranche, the entire project will be moved to the next Tranche.
          c. Once the final Tranche is filled, the MTC shall no longer be available to new projects.
          d. The MTC shall be fixed for the term of compensation for a project.
          e. A project shall not receive the MTC on the same portion of the project that receives a credit for the DRV Component.
          f. The MTC shall be set forth on the VDER-Cred Statement.
40. Value of Distributed Energy Resources (“VDER”): (Cont’d)

B. Value Stack:  (Cont’d)

7. Value Stack Billing

   i. In a billing period, the sum of the credits as calculated pursuant to Section 4, shall be used to determine the customer’s total credit for the month.
   
   ii. For each hour, the customer’s usage and its generation are netted within the hour.
   
   iii. Where a customer-generator consumption has exceeded the Facility’s generation export within an hour, the customer-generator shall be billed at the rates specified in the customer’s otherwise applicable Service Classification.
   
   iv. Where generation export has exceeded the customer-generator’s consumption within an hour, the Value Stack Compensation credit shall be calculated by multiplying the excess generation by the applicable Value Stack components to determine the total credit.

      1. If the Company is unable to obtain an actual meter read for the Facility, the Company shall not be required to estimate Excess Generation output for determining credits.
      
      2. The credit shall be applied to the current utility bill for any outstanding delivery (and supply, if applicable) charges as described below. If the current month’s Value Stack credit plus any prior period Value Stack Credit exceeds the current bill, the remaining credit will be handled as follows:

         a. Mass Market Customers and Large On-Site Customers
            1. The monetary credit will be carried forward to the succeeding billing period.
         
         b. Remote Net Metered Customers
            1. The monetary credit shall be applied to charges on the Remote Net Metered Satellite Account(s) bills in the order in which the Remote Net Metered Satellite Account(s) are billed until such time that the monetary credit is reduced to zero or all Remote Net Metered Satellite Account(s) have been credited.
            
            2. If more than one Remote Net Metered Satellite Account bills on the same day, the monetary credit shall be applied to the Remote Net Metered Satellite Accounts in order of kWh usage from highest to lowest.
            
            3. If a monetary credit remains after all Remote Net Metered Satellite Accounts are credited, the remainder of the monetary credit shall be carried forward to the succeeding billing period on the Remote Net Metered Host Account.
            
            4. If a monetary credit remains on any Remote Net Metered Satellite Account, the remaining credit will be carried forward on that Remote Net Metered Satellite Account to the succeeding billing period.
            
            5. If a final bill is rendered on a CDG Host Account, any remaining credit shall not be cashed out, refunded, or transferred. CDG Satellite Accounts shall no longer receive credits after the final bill is rendered on the account of its CDG Host. If a credit remains on a CDG Satellite Account after its final bill is rendered, such credit shall be forfeited as set forth in Rule 37.9.d.

   c. Community DG

      1. For CDG accounts, the monetary credit shall be applied to electric charges on the CDG Satellite Account(s) based on the percentage allocation process set forth in Rule 37.
      
      2. In each billing period, any unallocated kWh credits or kWh credits that have been designated to remain on a CDG Host Account shall be converted to a monetary value based on the sum of the Value Stack credit components as described this Rule; however, the Market Transition Credit is not applicable for the conversion of these credits (the “Banked Monetary Credit”).
      
      3. The Banked Monetary Credits shall carried forward on the CDG Host Account to the succeeding bill period until the earlier of:

         a. CDG Host notifies the Company of the subscribers to receive the Banked Monetary Credits and the amount of credits to be allocated to the subscriber, regardless of the allocation specified in Rule 37.3; or
         
         b. The two-year grace period has expired.
      
      4. If a monetary credit remains on any CDG Satellite Account, the remaining credit will be carried forward on that CDG Satellite Account to the succeeding billing period.
      
      5. After a final bill is rendered on a CDG Host Account, any remaining credit shall not be cashed out, refunded, or transferred. CDG Satellite Accounts shall no longer receive credits after the final bill is rendered on the account of its CDG Host. If a credit remains on a CDG Satellite Account after its final bill is rendered, such credit shall be forfeited as set forth in Rule 37.9.d.

   

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
GENERAL INFORMATION

40. Value of Distributed Energy Resources (“VDER”) (Cont’d)

   B. Value Stack: (Cont’d)

   8. Account Closure
      a. The Company shall require an actual meter reading to close an Account pursuant to this Rule.
      b. The Company shall close an account on the earlier of: (a) the first cycle date on which a reading is taken following the requested turn off date, or (b) the date of a special reading, which a Customer may request at the charge specified in General Information Rule 16.D.6.(c).
      c. After the customer’s final bill is rendered, any remaining credit shall not be transferred, except for a CDG Satellite Account. Such credit shall be returned to the CDG Host Account.

   9. Term
      The Term of Service for a Facility pursuant to the General Information Rule, Value Stack, shall be 25 years.
GENERAL INFORMATION

41. **Energy Smart Community (“ESC”) Rate Option Pilot**

The ESC Rate Option Pilot is offered to qualifying customers located within certain portions of Tompkins County. To enroll in the ESC Rate Option Pilot, a qualifying customer must have an advanced metering infrastructure (“AMI”) meter, also known as a smart meter. The ESC Rate Option Pilot is voluntary, providing customers with a choice of time differentiated delivery rates and hourly electric supply rates if choosing electricity supply from NYSEG. Customers may also choose an ESCO for their electricity supply.

A. **Eligibility**

All terms and conditions of the customer’s otherwise applicable service classification apply except as provided herein.

1. A Residential customer otherwise qualifying under Service Classification Nos. 1, 8, or 12 that is located in the portion of Tompkins County where a smart meter is installed at the customer’s premises.

2. A Non-Residential customer otherwise qualifying under Service Classification Nos. 2, 3P, 6, 7-1, 7-2 or 7-3 that is located in the portion of Tompkins County where a smart meter is installed at the customer’s premises.

B. **Character of Service**

The character of service shall be set forth in the customer’s otherwise applicable service classification.

C. **Term**

1. A customer that elects to participate in the ESC Rate Option Pilot shall commence billing pursuant to this option with the first subsequent monthly billing cycle following the installation of the smart meter. The customer may discontinue participation in the ESC Rate Option Pilot at any time and enroll in another applicable rate.

2. If a customer chooses to terminate the ESC Rate Option, the customer shall not be allowed to elect the ESC Rate Option for a period of 12 months from the date of cancellation.

3. At the conclusion of the ESC Rate Option Pilot, customers will either choose another applicable rate or revert back to their otherwise applicable service class.

D. **Delivery Rate Periods**

1. **Residential**

<table>
<thead>
<tr>
<th>Service Classification Nos. 1, 8 and 12</th>
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</thead>
<tbody>
<tr>
<td>All Months</td>
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ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
GENERAL INFORMATION

41. Energy Smart Community (“ESC”) Rate Option Pilot (Cont’d)
D. Delivery Rate Periods (Cont’d)

2. Non-Residential

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<thead>
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<th>Service Classification No. 6</th>
<th>On-Peak</th>
<th>Off-Peak</th>
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<tr>
<td>All Months</td>
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<td>6:00 PM - 2:00 PM, Weekdays</td>
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<td></td>
<td>Weekends – All hours</td>
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<tr>
<th>Service Classification Nos. 2 and 3P</th>
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<tr>
<td>Summer Months (June – September)</td>
<td>2:00 PM - 6:00 PM, Weekdays*</td>
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<tr>
<td>Other Months October – May</td>
<td>Non-Summer Demand</td>
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<td>All Hours</td>
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<tr>
<th>Service Classification Nos. 7-1, 7-2 and 7-3</th>
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<tbody>
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<td>Summer Months (June – September)</td>
<td>2:00 PM - 6:00 PM, Weekdays*</td>
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<tr>
<td>Other Months October - May</td>
<td>Non-Summer On-Peak</td>
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<tr>
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<td>7:00 AM - 10:00 PM, Weekdays*</td>
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*With the exception of the following holidays: New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day

E. Delivery Rates
1. Residential

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<th>Effective 05/01/2018</th>
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<th>SC No. 12</th>
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<td>Bill Issuance Charge (per bill)</td>
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<td>Delivery Charge (per kWh) On-Peak Period</td>
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<td>Delivery Charge (per kWh) Off-Peak Period</td>
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<td>$0.02870</td>
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</table>

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
41. Energy Smart Community (“ESC”) Rate Option Pilot (Cont’d)
E. Delivery Rates (Cont’d)

2. Non Residential

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<td>Bill Issuance Charge (per bill)</td>
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<tr>
<td>Delivery Charge (per kWh) On-Peak Period</td>
<td>$ 0.09645</td>
</tr>
<tr>
<td>Delivery Charge (per kWh) Off-Peak Period</td>
<td>$ 0.03839</td>
</tr>
</tbody>
</table>
## 41. Energy Smart Community ("ESC") Rate Option Pilot (Cont’d)

### E. Delivery Rates (Cont’d)

2. Non Residential (Cont’d)

<table>
<thead>
<tr>
<th>Effective 05/01/2018</th>
<th>SC No. 2</th>
<th>SC No. 3P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Charge (per month)</td>
<td>$9.57</td>
<td>$71.59</td>
</tr>
<tr>
<td>Meter Ownership Charge</td>
<td>$0.76</td>
<td>$1.74</td>
</tr>
<tr>
<td>Meter Service Charge</td>
<td>$10.37</td>
<td>$21.54</td>
</tr>
<tr>
<td>Meter Data Service Charge (Meter Reading)</td>
<td>$3.61</td>
<td>$6.30</td>
</tr>
<tr>
<td>Bill Issuance Charge (per bill)</td>
<td>$0.81</td>
<td>$0.81</td>
</tr>
<tr>
<td>Delivery Charge (per kWh) (all hours)</td>
<td>$0.00261</td>
<td>$0.00261</td>
</tr>
<tr>
<td>Delivery Charge (per kW) Summer On-Peak Period</td>
<td>$20.91</td>
<td>$14.75</td>
</tr>
<tr>
<td>Delivery Charge (per kW) Non-Summer Demand Peak Period</td>
<td>$13.35</td>
<td>$8.11</td>
</tr>
<tr>
<td><strong>Reactive Charge</strong> Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
<td>$0.00078</td>
<td>$0.00078</td>
</tr>
</tbody>
</table>
41. Energy Smart Community (“ESC”) Rate Option Pilot (Cont’d)

E. Delivery Rates (Cont’d)

2. Non Residential (Cont’d)

<table>
<thead>
<tr>
<th>Effective 05/01/2018</th>
<th>SC No. 7-1</th>
<th>SC No. 7-2</th>
<th>SC No. 7-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Charge</td>
<td>$137.44</td>
<td>$492.62</td>
<td>$1,103.22</td>
</tr>
<tr>
<td>(per month)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meter Ownership Charge</td>
<td>$1.33</td>
<td>$4.97</td>
<td>$4.68</td>
</tr>
<tr>
<td>Meter Service Charge</td>
<td>$15.90</td>
<td>$46.24</td>
<td>$46.09</td>
</tr>
<tr>
<td>Meter Data Service Charge</td>
<td>$5.98</td>
<td>$17.94</td>
<td>$15.56</td>
</tr>
<tr>
<td>(Meter Reading)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bill Issuance Charge</td>
<td>$0.81</td>
<td>$0.81</td>
<td>$0.81</td>
</tr>
<tr>
<td>(per bill)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delivery Charge</td>
<td>$27.17</td>
<td>$21.04</td>
<td>$7.35</td>
</tr>
<tr>
<td>(per kW) Summer On-Peak Period</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delivery Charge</td>
<td>$9.76</td>
<td>$8.15</td>
<td>$2.24</td>
</tr>
<tr>
<td>(per kW) Non-Summer On-Peak Period</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reactive Charge</td>
<td>$0.00078</td>
<td>$0.00078</td>
<td>$0.00078</td>
</tr>
<tr>
<td>Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

F. Supply Service Options

Pursuant to General Information Section 25, Supply Service Options, a customer shall choose its supply service—option. Customers in the program must choose a Retail Access rate or a Non-Retail Access rate.

1. The Retail Access choice is the ESCO Supply Service (ESS). Supply Service shall be provided by an Energy Services Company (ESCO).
   a. Bills for S.C. Nos. 1, 6, 8, and 12 customers taking service under the Retail Access Choice shall include: the customer charge, the bill issuance charge, On-Peak and Off-Peak delivery charges. Customers that elect ESS and receive a Consolidated Bill shall not be subject to the Bill Issuance Charge.
   b. Bills for S.C. Nos. 2, 3P, 7-1, 7-2, and 7-3 customers taking service under the Retail Access Choice shall include: the customer charge, the Bill Issuance Charge, meter ownership charge, meter service charge, meter data service charge, all-hour delivery charge (not applicable to S.C. Nos. 7-1, 7-2, and 7-3), reactive demand charge, and either the summer On-Peak delivery charge, or the non-summer demand charge; and; the NBC. Customers that elect ESS and receive a Consolidated Bill shall not be subject to the Bill Issuance Charge.

2. The Non-Retail Access choice is NYSEG Hourly Pricing. Electricity supply is provided by NYSEG.
   a. Bills for S.C. Nos. 1, 6, 8, and 12 customers taking service under NYSEG hourly pricing shall include: the customer charge, a Bill Issuance Charge, On-Peak and Off-Peak delivery charges, the NBC, the Merchant Function Charge, and a commodity charge for electricity supply as described in General Information Section 25.I.C.3, Calculation of the Commodity Charge for Hourly Pricing.
   b. Bills for S.C. Nos. 2, 3P, 7-1, 7-2, and 7-3 customers taking service under NYSEG Hourly Pricing shall include: the customer charge, a Bill Issuance Charge, meter ownership charge, meter service charge, meter data service charge, all-hour delivery charge (not applicable to S.C Nos. 7-1, 7-2, and 7-3), reactive demand charge, and either the summer On-Peak delivery charge, or non-summer demand charge, a NBC, the Merchant Function Charge, and a commodity charge for electricity supply as described in General Information Section 25.I.C.3, Calculation of the Commodity Charge for Hourly Pricing.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
GENERAL INFORMATION

41. Energy Smart Community ("ESC") Rate Option Pilot (Cont'd)

G. Surcharges
The customer shall be subject to all surcharges as set forth in the customer’s otherwise applicable service classification.

INCREASES IN RATES AND CHARGES:
The rates and charges under this Rule, including the minimum charge as applicable, shall be increased by a surcharge pursuant to Rule 6 of P.S.C. No. 120 to reflect the tax rates applicable within the municipality where the customer takes service.

H. Metering
   1. Customers must have a smart meter to enroll in the ESC Rate Option Pilot.

I. Determination of Demand and Reactive Kilovolt-Ampere Hours:
   1. The Determination of Demand shall be derived from the on-peak hours only. The metered demand shall be the highest average kW used in a 15-minute interval during the month.

   2. The Determination of Reactive Kilovolt-Ampere Hours: Whenever the customer’s metered demand is 200 kW or more for two billing periods in any two of the previous 12 months, the reactive kilovolt-ampere hours shall thereafter be metered. The billing reactive kilovolt-ampere hours shall be the reactive kilovolt-ampere hours in excess of one-fourth of the metered kilowatt-hours.

J. Special Provisions
   1. A residential customer taking service pursuant to S.C. No. 1, S.C. No. 8, or S.C. No. 12 that participates in the ESC Rate Option Pilot and is eligible for net metering with the installation of a qualifying technology pursuant to PSL 66-j or PSL 66-l shall be subject to the net metering provisions of this Schedule, as applicable.
SERVICE CLASSIFICATION NO. 1

APPLICABLE TO THE USE OF SERVICE FOR:

Residential Customers in individual private dwellings, flats or apartments, and Religious Customers utilizing service exclusively in connection with religious purposes by a corporation or association organized and conducted in good faith for religious purposes. Applicable also to use exclusively in connection with a community residence for the mentally disabled, as defined in subdivision 28, 28-a, or 28-b of section 1.03 of the mental hygiene law, provided that such residence is operated by a not-for-profit corporation and, if supervisory staff is on site 24 hours a day, that the residence provides living accommodations for 14 or fewer residents. Also applicable to any not-for-profit corporation that is a veterans' organization that owns or leases a post or hall.

CHARACTER OF SERVICE:

Residential Customers:
Continuous - Alternating Current, 60 Cycle; 120, 120/208, or 120/240 Volts - Single Phase. (Characteristics depend upon available circuits.)

Religious, Veterans' Organizations, and Community Residence Supportive Living Facility Customers:
Continuous - Alternating current, 60 cycle; Single or Three Phase. (Characteristics depend upon available circuits and equipment.)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS:

Pursuant to General Information Section 25, Supply Service Options, customers served under this Service Classification will choose from different electric rate choices offered by the Company as described below. NYSEG will 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 Access choice is the NYSEG Supply Service (NSS).

*NYSEG will provide Delivery Service regardless of the customer's supply service option.*
1. ESCO Supply Service (ESS)

This Retail Access choice includes fixed charges for NYSEG delivery service and a Transition Charge (Non-Bypassable Charge ["NBC"]). Supply Service shall be provided by an Energy Services Company (ESCO). Customers that elect ESS and receive a Consolidated Bill shall not be subject to the Bill Issuance Charge.

RATE: (Per Meter, Per Month)

Delivery Service:

<table>
<thead>
<tr>
<th></th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer Charge</strong></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><strong>Energy Charge</strong></td>
<td>$15.11</td>
</tr>
<tr>
<td>(All kWh, per kWh)</td>
<td>$15.11</td>
</tr>
<tr>
<td></td>
<td>$15.11</td>
</tr>
<tr>
<td><strong>Transition Charge</strong></td>
<td>$0.03676</td>
</tr>
<tr>
<td>(Non-Bypassable Charge [&quot;NBC&quot;])</td>
<td>$0.03963</td>
</tr>
<tr>
<td></td>
<td>$0.04256</td>
</tr>
</tbody>
</table>

Bill Issuance Charge (per bill): $0.81, as described in General Information Section 16.J.

Rate Adjustment Mechanism ("RAM"): See RAM Statement, as described in Rule 38
SERVICE CLASSIFICATION NO. 1 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (Cont'd.)

   Reserved for Future Use

Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

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

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (Cont'd.)

*NYSEG will provide Delivery and Supply Service for the Non-Retail Access choice.*

2. Reserved for Future Use
SERVICE CLASSIFICATION NO. 1 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (Cont'd.)

Reserved for Future Use

Issued in compliance with order in Case No. 07-E-0749 dated 08/29/07.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
3. NYSEG Supply Service (NSS)

This Non-Retail Access choice includes fixed charges for NYSEG delivery service, a Transition Charge (Non-Bypassable Charge [“NBC”]), a fluctuating commodity charge for electricity supplied by the Company, and a Merchant Function Charge.

RATE: (Per Meter, Per Month)

<table>
<thead>
<tr>
<th>Delivery Charges</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Charge</td>
<td>$15.11</td>
</tr>
<tr>
<td>Energy Charge (All kWh, per kWh)</td>
<td>$0.03676</td>
</tr>
</tbody>
</table>

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

Commodity Service:
The charge for Electric Power Supply provided by the Company shall fluctuate each month as further described in General Information Section 25.I.C., Calculation of the Commodity Charge.

Merchant Function Charge:
All kWh, per kWh See Merchant Function Charge Statement

Bill Issuance Charge (per bill): $0.81, as described in General Information Section 16.J.

Rate Adjustment Mechanism (“RAM”):
All kWh, per kWh See RAM Statement, as described in Rule 38
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.

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 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.

Issued in compliance with Order in Case No. 09-M-0311, dated 12/19/17.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
SERVICE CLASSIFICATION NO. 1 (Continued)

SPECIAL PROVISIONS:

(a) Seasonal Service:

Upon request, customers who, during a period of six or more consecutive months, make only occasional (compared to the balance of the year) or no use of electric service at their premises may have their service maintained throughout the period, not to exceed eight months, and shall be billed for the kWh consumed during this period at the following unit prices per kWh:

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>07/01/16</th>
<th>05/01/17</th>
<th>05/01/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery Charges (All kWh, per kWh)</td>
<td>$0.03676</td>
<td>$0.03963</td>
<td>$0.04256</td>
</tr>
<tr>
<td>Transition Charge (All kWh, per kWh)</td>
<td>See Transition Charge Statement</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The total bill for delivery service, however, for the year shall in no case be less than $181.32 plus actual billed Bill Issuance Charges.

Commodity Service

Customers served under this special provision shall be billed for supply service in accordance with the customer’s Supply Service Option (ESS or NSS).

Merchant Function Charge

Customers served under this special provision taking service under the NSS shall be required to pay the Merchant Function Charge set forth on the Merchant Function Charge Statement.
SERVICE CLASSIFICATION NO. 1 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(b) Multiple Dwellings:

Two or more individual flats, apartments or dwelling units presently supplied service through one meter may be billed under this service classification.

(c) Commercial Use:

When a customer operates a commercial establishment (incidental to his residence) in the same building or on the same premises as his residence and takes his entire service through one meter, this classification shall apply for the entire service only if the connected load in the residential portion exceeds that in the commercial portion, provided that the connected load in the commercial portion does not exceed 1.5 kW. If the reverse is true, the general classification shall apply to the entire service. However, the customer may elect to take service under both the residential and general rates, in which case there shall be a separate meter for the residential portion and a separate meter for the general portion.

(d) Budget Billing:

Customers may, by signing an application, be billed monthly in accordance with the plan set forth in Section 4-P of P.S.C. No. 119 - Electricity or superseding issues thereof.

(e) Quarterly Payment Plan:

Effective November 29, 1985, as required by Public Service Law Section 38, the Company shall offer any residential customer, 62 years of age or older, a plan for payment on a quarterly basis of charges for service rendered, provided that such customer's average annual billing is not more than $150.

(f) Reserved for Future Use
SERVICE CLASSIFICATION NO. 1 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(f) Reserved for Future use

(g) Energy Smart Community ("ESC") Rate Option Pilot
   A qualifying customer located within the certain portions of Tompkins County may enroll in the ESC Rate
   Option Pilot as set forth in Rule 41.
SPECIAL PROVISIONS: (Cont'd):

(h) Solar Residential Electric Service Option:

This option is for a customer qualifying for the Solar Residential Generating Service Option pursuant to General Information Section 26 of this Schedule and taking service under SC1.
SPECIAL PROVISIONS: (Cont'd):

(i) 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 22 of this Schedule and taking service under S.C. No. 1.

(j) Wind Electric Service Option:

This option is for a customer qualifying for the Wind Electric Service Option pursuant to General Information Section 23 of this Schedule and taking service under S.C. No. 1.

(k) Electric Hybrid Generating System Option:

This option is for a customer qualifying for the Electric Hybrid Generating System Option pursuant to General Information Section 24 of this Schedule and taking service under S.C. No. 1.

(l) 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 29 of this Schedule and taking service under S.C. No. 1.

(m) Fuel Cell Electric Service Option:

This option is for a customer qualifying for the Fuel Cell Service Option pursuant to General Information Section 30 of this Schedule and taking service under S.C. No. 1.

(n) Micro-Hydroelectric Service Option:

This option is for a customer qualifying for the Micro-Hydroelectric Service Option pursuant to General Information Section 31 of this Schedule and taking service under S.C. No. 1.

(o) Community Distributed Generation Service Option:

This option is for a customer qualifying for the Community Distributed Generation Service Option pursuant to General Information Section 37 of this Schedule and taking service under S.C. No. 1.
SERVICE CLASSIFICATION NO. 2

APPLICABLE TO THE USE OF SERVICE FOR:

General Services - with Demand Billing. (For estimated metered demands of more than 5 kW but less than 500 kW.)

CHARACTER OF SERVICE:

Continuous - Alternating Current, 60 Cycle; 120, 120/208, 120/240, 208, 240, 240/416, 277/480 or 480 Volts - Single or Three Phase. (Also Two Phase in Walden District.) (Characteristics depend upon available circuits and equipment.)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS:

Pursuant to General Information Section 25, Supply Service Options, customers served under this Service Classification shall choose from different electric rate choices offered by the Company as described below. The Company shall offer a Retail Access rate choice and Non-Retail Access rate choices.

The Retail Access choice is the ESCO Supply Service (ESS). The Non-Retail Access choices include the NYSEG Supply Service (NSS) and Hourly Pricing.

The company shall provide Delivery Service regardless of the customer’s Supply Service Option.

1. ESCO Supply Service (ESS)

This Retail Access choice includes fixed charges for NYSEG delivery service and a Transition Charge (Non-Bypassable Charge [“NBC”]). Supply Service shall be provided by an Energy Services Company (ESCO). Customers that elect ESS and receive a Consolidated Bill shall not be subject to the Bill Issuance Charge.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
**SERVICE CLASSIFICATION NO. 2 (Continued)**

**SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS:** (Cont'd.)

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

   RATE: (Per Meter, Per Month)

   **Delivery Charges:**

<table>
<thead>
<tr>
<th></th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>07/01/16</td>
</tr>
<tr>
<td><strong>Customer Charge</strong></td>
<td>$7.27</td>
</tr>
<tr>
<td><strong>Meter Ownership Charge</strong></td>
<td>$0.76</td>
</tr>
<tr>
<td><strong>Meter Service Charge</strong></td>
<td>$10.37</td>
</tr>
<tr>
<td><strong>Meter Data Service Charge</strong></td>
<td>(Meter Reading)</td>
</tr>
<tr>
<td><strong>Demand Charge</strong></td>
<td>$8.87</td>
</tr>
<tr>
<td><strong>Energy Charge</strong></td>
<td>$0.00261</td>
</tr>
<tr>
<td><strong>Reactive Charge</strong></td>
<td>$0.00078</td>
</tr>
</tbody>
</table>

**Transition Charge (Non-Bypassable Charge [“NBC”]):**

All kWh, per kWh  See Transition Charge Statement

**Bill Issuance Charge (per bill):**  $0.81, as described in General Information Section 16.J

**Rate Adjustment Mechanism (“RAM”):**

All kW, per kW  See RAM Statement, as described in Rule 38

**ISSUED BY:** James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 2 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (Cont'd.)

*NYSEG will provide Delivery and Supply Service for the Non-Retail Access choices.*

2. Reserved for Future Use

Issued in compliance with order in Case No. 09-E-0227 dated 09/28/09.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
### 3. NYSEG Supply Service (NSS)

This Non-Retail Access choice includes fixed charges for NYSEG delivery service, a Transition Charge (Non-Bypassable Charge ["NBC"]), a commodity charge for electricity supplied by NYSEG which fluctuates with the market price of electricity, and a Merchant Function Charge.

**RATE: (Per Meter, Per Month)**

<table>
<thead>
<tr>
<th></th>
<th>Effective Date</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>07/01/16</td>
<td>09/01/16</td>
<td>05/01/17</td>
<td>05/01/18</td>
</tr>
<tr>
<td><strong>Customer Charge</strong></td>
<td>$7.27</td>
<td>$7.27</td>
<td>$8.41</td>
<td>$9.57</td>
</tr>
<tr>
<td><strong>Meter Ownership Charge</strong></td>
<td>$0.76</td>
<td>$0.76</td>
<td>$0.76</td>
<td>$0.76</td>
</tr>
<tr>
<td><strong>Meter Service Charge</strong></td>
<td>$10.37</td>
<td>$10.37</td>
<td>$10.37</td>
<td>$10.37</td>
</tr>
<tr>
<td><strong>Meter Data Service Charge</strong></td>
<td>$3.61</td>
<td>$3.61</td>
<td>$3.61</td>
<td>$3.61</td>
</tr>
<tr>
<td><strong>Demand Charge</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(All kW, per kW)</td>
<td>$8.87</td>
<td>$8.86</td>
<td>$9.32</td>
<td>$9.79</td>
</tr>
<tr>
<td><strong>Energy Charge</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(All kWh, per kWh)</td>
<td>$0.00261</td>
<td>$0.00261</td>
<td>$0.00261</td>
<td>$0.00261</td>
</tr>
<tr>
<td><strong>Reactive Charge</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
<td>$0.00078</td>
<td>$0.00078</td>
<td>$0.00078</td>
<td>$0.00078</td>
</tr>
</tbody>
</table>

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

**Commodity Service**:  
The charge for Electric Power Supply provided by NYSEG shall fluctuate each month as further described in General Information Section 25.I.C., Calculation of the Commodity Charge.

**Merchant Function Charge**:  
All kWh, per kWh  
See Merchant Function Charge Statement

**Bill Issuance Charge (per bill)**:  
$0.81, as described in General Information Section 16.J.

**Rate Adjustment Mechanism ("RAM")**:  
All kW, per kW  
See RAM Statement, as described in Rule 38

**ISSUED BY**: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
4. Hourly Pricing – Mandatory and Voluntary

Hourly Pricing is voluntary for any customer taking service under Service Classification No. 2 except as follows:

Effective January 1, 2010, Hourly Pricing is mandatory for any customer taking service under Service Classification No. 2 with a billed demand greater than or equal to 300 kW in any two months within the 12 months beginning prior to September 1, 2009, including customers that received an economic incentive or NYPA allocation on or after January 1, 2007.

A customer taking service under Hourly Pricing shall remain subject to this provision until their monthly metered demand has been less than 300 kW for 12 consecutive months. Customers served under this provision must select ESCO Supply Service (ESS) or NYSEG Hourly Day-Ahead Market Pricing (“Hourly Pricing”) described within this Service Classification.

Customers that received an economic incentive or NYPA allocation beginning on or prior to December 31, 2006 and does not have a restriction for the Supply Service Option may opt to participate in Hourly Pricing. If such customer opts to participate in Hourly Pricing, the customer must choose the same Supply Service Option for its incentive, non-incentive and any future load.

DELIVERY CHARGES:

The delivery charges set forth in this Service Classification for the NSS shall apply to a customer taking service under Hourly Pricing. A customer that qualifies for the Industrial/High Load Factor Special Provision shall pay the delivery charges as set forth in Special Provision (i).

NYSEG Hourly Day-Ahead Market Pricing Option (“Hourly Pricing”)

This Non-Retail Access choice includes fixed charges for NYSEG delivery service, a Transition Charge (Non-Bypassable Charge [“NBC”]) as described above and in further detail in General Information Section 25.I.B., the Merchant Function Charge, and a commodity charge for electricity supply that fluctuates hourly with the market price of electricity including losses, unaccounted for energy, capacity, and capacity reserves, as further described herein. Electricity supply is provided by NYSEG.
SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (Cont’d.)

4. **Hourly Pricing – Mandatory and Voluntary (Cont’d.)**

   NYSEG Hourly Day-Ahead Market Pricing Option (“Hourly Pricing”) (Cont’d.)

   Reserved for Future Use
DETERMINATION OF DEMAND:

Customers taking service under this Special Provision shall pay a demand charge calculated as described in Service Classification No. 7, Determination of Demand section.

METERING AND COMMUNICATION REQUIREMENTS:

1. Customer Responsibilities:
   All customers subject to this special provision are required to have interval metering and remote meter reading capability. Such customers shall be responsible for the following:
   
   a. the costs of providing remote meter reading capability through dedicated telecommunications to and from the meter; and
   b. the dedicated telecommunications shall be approved by the Company, and
   c. all costs associated with the installation, operation and maintenance of the telecommunications equipment, including but not limited to, all telecommunications service bills. If the Company is unable to read the meter through a customer provided connection, and the Company has determined that the problem is not caused by the Company’s equipment, the customer shall be responsible for resolution of the problem. The customer shall also be responsible for reimbursement of the Company expenses incurred for visits to the meter location to ascertain the cause of the problem, including reimbursing the Company for any expenses the Company incurs, such as, but not limited to, the cost to provide a manual meter read.

2. Company Responsibilities:
   a. Equipment shall be replaced at the Company’s discretion and shall be based upon available resources and Company Schedule.
   b. In the absence of equipment failure, if the customer requests replacement of working equipment, it shall be scheduled by order of request and availability.
SERVICE CLASSIFICATION NO. 2 (Continued)

RATE CHOICES AVAILABLE TO CUSTOMERS:

MERCHANT FUNCTION CHARGE:
The Merchant Function Charge reflects the administrative costs of obtaining electricity supply. 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 Customer Charge plus the Bill Issuance Charge, if applicable, as listed above, or as otherwise stated in the applicable special provisions.

The minimum charge for customers who choose to take all or part of their back-up or maintenance service under this service classification rather than under Special Provision (d) of the Company’s Service Classification No. 11 is described in the "DETERMINATION OF DEMAND" section.

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 Rule 4). See SBC 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 Rule 3). See RSS Statement.

RATE ADJUSTMENT MECHANISM ("RAM"):
The RAM shall be applied per kW to all kW delivered under this Service Classification, (as explained in this schedule, General Information Rule 38). See RAM Statement.

COMPETITIVE METERING OPTION:
Qualified Customers who select the Competitive Metering Option must comply with the requirements specified in P.S.C. No. 119 - Electricity and specified in General Information Section 14 of this Schedule, and shall not be charged the Meter Ownership, Meter Services, and Meter Data Service Charges.

METER OWNED BY CUSTOMER, INSTALLED AND MAINTAINED BY THE COMPANY
Customers electing to own their own meters, as described in Section 3.A.2 of P. S. C. No. 119 - Electricity, shall not be charged the Meter Ownership Charge. This provision is separate and distinct from Competitive Metering.
SERVICE CLASSIFICATION NO. 2 (Continued)

REVENUE DECOUPLING MECHANISM (“RDM”):

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

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 PSC No. 120 to reflect the tax rates applicable within the municipality where the customer takes service.

DETERMINATION OF DEMAND:

The billing demand will be the metered demand, which is the highest average kilowatts used in a thirty-minute interval during the month.
(For customers whose meters are read bi-monthly, the metered demand will be 95% of the metered demand.)

Customers who choose to take all or part of their back-up or maintenance service under this service classification rather than under Special Provision (d) of NYSEG’s Service Classification No. 11 will pay a minimum demand charge as described in the Company’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.

DETERMINATION OF REACTIVE KILOVOLT-AMPERE HOURS:

Whenever the customer’s metered demand is 200 kW or more for two billing periods in any two of the previous 12 months, the reactive kilovolt-ampere hours shall thereafter be metered. The billing reactive kilovolt-ampere hours will be the reactive kilovolt-ampere hours in excess of one-fourth of the metered kilowatt-hours.

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 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:

Single Phase Service:
One month and thereafter until terminated by 48 hours' notice.

Three Phase (or Two Phase) Service:
One year and thereafter until terminated by 48 hours' notice.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS:

(a) Energy Smart Community ("ESC") Rate Option Pilot
    A qualifying customer located within the certain portions of Tompkins County may enroll in the ESC Rate Option Pilot as set forth in Rule 41.
SPECIAL PROVISIONS: (Cont'd)
(b) Fluctuating Loads:

When service is rendered solely for equipment having a highly fluctuating or large instantaneous demand, such as X-rays, welders, etc., and a separate or larger transformer for such service is required, the minimum monthly charge shall not be less than 50¢ per KVA of such additional transformer capacity.

(c) Billing Duration:

Billing for service under this Service Classification shall continue for at least 11 months after the establishment of a demand in excess of 5 kW unless service is terminated for not less than one year under the terms of the "Cessation of Service" section of P.S.C. No. 119 or superseding issues thereof.

(d) Budget Billing:

Customers may, by signing an application, be billed monthly in accordance with the plan set forth in Section 4-O of P.S.C. No. 119 - Electricity or superseding issues thereof.

(e) Submetering:

Submetering may be available according to certain conditions as explained in the general information leaves of this schedule, Section 2. Submetering.

(f) Economic Incentives: Reserved for Future Use
SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(f) Economic Incentives: Reserved for Future Use

(1) Reserved for Future Use

(2) Reserved for Future Use
SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(f) Economic Incentives: (Cont'd)

(3) Economic Development Zone Incentive: (Cont'd.)

Customers who qualify, under the Economic Development Zone Incentive (EDZI) in Section 9 of the General Information section of this Schedule, to receive an incentive for load qualified on or after July 1, 2003 may select one of the following rate options, as specified in this Service Classification and Section 25, Supply Service Options, for all of their load: 1) NYSEG Supply Service (NSS), 2) ESCO Supply Service (ESS) or 3) Hourly Pricing.

Such customers will receive the incentive for a term of ten (10) years following initial zone certification, beginning with the eligibility date on the zone certificate (unless the customer's initial zone certification(s) becomes invalid).
SPECIAL PROVISIONS: (Cont'd)

(f) Economic Incentives: (Cont'd)

(3) Economic Development Zone Incentive: (Cont'd.)

A customer taking service under this special provision shall be subject to the otherwise applicable standard service classification rates, including the Transition Charge (Non-Bypassable Charge ["NBC"]), Commodity, Merchant Function and Bill Issuance Charges, if applicable, System Benefits Charge, Revenue Decoupling Mechanism, Reliability Support Services (RSS), and Revenue Adjustment Mechanism (RAM) in accordance with the standard NSS, ESS, or Hourly Pricing rates for this Service Classification. Hourly Pricing customers shall also be billed the Electric Capacity Charge in accordance with the Hourly Pricing rates for this Service Classification.
SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(f) Economic Incentives: (Cont'd)

(4) Reserved for Future Use
(5) Recharge New York ("RNY") Power Program

Customers who qualify for the Recharge NY Power Program pursuant to Section 11 of the General Information Section of this Schedule, shall have such power billed in accordance with the provision therein. The customer's power requirements in excess of the RNY Power allocation shall be billed in accordance with the ESCO Supply Service rate or the NYSEG Supply Service rate of this Service Classification.

(6) Reserved for Future Use
SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS:  (Cont’d)

(f) Economic Incentives: (Cont’d)

(7) Reserved for Future Use

(8) Incremental Load Incentive (“ILI”)

A customer taking service under this special provision shall be subject to the otherwise applicable standard service classification rates, including the Transition Charge (Non-Bypassable Charge [“NBC”]), Commodity, and Merchant Function and Bill Issuance Charges, if applicable, System Benefits Charge, Revenue Decoupling Mechanism, Reliability Support Services (RSS), and Revenue Adjustment Mechanism (RAM), in accordance with the standard NSS, ESS, or Hourly Pricing rates for this Service Classification. Hourly Pricing customers shall also be billed the Electric Capacity Charge in accordance with the Hourly Pricing rates for this Service Classification.
SPECIAL PROVISIONS: (Cont'd)

(f) Economic Incentives: (Cont'd)

(9) Incremental Load Incentive ("ILI") (Cont’d.)

Customers transitioning from the Incubator Development Incentive (IDI) to ILI shall be phased-in as follows:

<table>
<thead>
<tr>
<th>Per kWh, for all qualified kWh</th>
<th>Effective Date</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>01/01/11</td>
</tr>
<tr>
<td></td>
<td>$0.005</td>
</tr>
</tbody>
</table>

(g) Complementary E.T.S. Service:

This service is available for customers with common areas pertaining to individually metered multiple dwelling units taking individually metered residential service under this Schedule and utilizing Electric Thermal Storage (E.T.S.) installations as the principal space-conditioning medium. This service shall be billed under Service Classification No. 9 of this Schedule. However, the 5 kW metered demand and 2000 kWh monthly use limitations from the "Applicable to the Use of Service For" section shall be waived, as long as the total metered demand requirements shall not exceed 25 kW, in order to allow annual complementary E.T.S. space-conditioning and other electric service in the common areas of such multiple dwellings.

(h) Time-Of-Use Service Option:

Non-residential customers who qualify for service under S.C. No. 2 may voluntarily opt for Time-of-Use service under Service Classification No. 7 (Secondary Service). A customer who chooses to transfer to Service Classification No. 7 must initially remain on that rate for a minimum of 6 months prior to becoming eligible for a one-time return to Service Classification No. 2. This Special Provision is not available to Service Classification No. 2 customers, effective December 3, 2002.
SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(i) Agricultural Customers Time-of-Use Service Option:

Any Agricultural customer producing a "farm product" as defined in Subdivision 5 of Section 2 of the Agriculture and Markets Law may choose to take their entire service under Service Classification No. 7 with Time-of-Use metering.

(j) RESERVED FOR FUTURE USE

(k) RESERVED FOR FUTURE USE

Issued in compliance with order in Case No. 05-E-1222 dated 08/23/06.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(k) Reserved for Future Use

Issued in compliance with order in Case No. 05-E-1222 dated 08/23/06.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SPECIAL PROVISIONS: (Cont'd)

(l) Industrial/High Load Factor ("I/HLF") Rate Provision:

(1) Availability:

Available to a customer's account that meets usage eligibility as defined in (2) or (3) of this section. Customers who are taking service under the Company's Economic Development Zone Incentive, New York Power Authority (NYPA) programs (Expansion Power, Replacement Power, High Load Manufacturer Power, and Preservation Power), or S.C. No. 14 may take service under this rate provision, only for that portion of their load served at the Company's standard tariff rate, provided that the non-discounted load meets the eligibility requirements of this special provision. Allocation of billing units (kW, kWh, rkvah) for partial load is explained in (4) of this section.

Recipients of other the Company incentive rates, applicable to their entire load, may qualify for this special provision by relinquishing eligibility under the incentive, provided that they meet the eligibility requirements of this special provision.

(2) Eligibility:

(i) Industrial Rate Provision:

Not applicable to customers in this service classification. Customers with average annual demands in excess of 500 kW, are served under S.C. No. 7.

(3) Reserved for Future Use
SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(i) Industrial/High Load Factor Rate Provision (Cont'd.):

(ii) High Load Factor Rate Provision:

Applicable to an existing customer's account having an annual load factor of 68.0% or greater (approximately 500 hours' average use of kW demand per month). Also applicable to a new customer's account with an estimated annual load factor of 68.0% or greater. Annual load factor for this provision is calculated as follows:

\[ \frac{A}{D \times H} \]

A = Annual kWh. For existing customers this will be the actual total energy usage billed during the most recent 12 consecutive months. For new customers or customers with incomplete history, the annual usage will be estimated by the Corporation from engineering and operating estimates to fit within the time period.

D = Maximum demand. For existing customers this will be the highest billed demand during the most recent 12 consecutive months. For new customers or customers with incomplete history, the demand will be estimated by the Corporation from engineering and operating estimates to fit within the time period.

H = Number of total hours in the annual billing period.

(3) Rate Qualification Review:

Each account will be reviewed annually for continued qualification, based on the load factor during the previous year. Such review shall occur 12 months after the initiation of this Special Provision, and shall be repeated each year thereafter. To maintain qualification for this rate, a customer account's annual load factor must be 68.0% or greater.

(4) Allocation of Billing Units for Partial Load:

Billing units (kW, kWh, rkvah) will be allocated between the Industrial/High Load Factor and Economic Incentive portions of the customer's bill based on the following formula:

\[
\begin{align*}
B &= \text{Billing kW} \\
T &= \text{Total kWh} \\
E\text{KWH}' &= \text{Incented kWh} \\
E\text{KW} &= \text{Incented kW} \\
N\text{KW} &= \text{Non-incented kW}
\end{align*}
\]

\[
(E\text{KWH}' / T) \times B = E\text{KW}
\]

\[
B - E\text{KW} = N\text{KW}
\]

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SPECIAL PROVISIONS: (Cont’d.)

(l) Industrial/High Load Factor Rate Provision (Cont’d.):

(4) Rate for Qualified High Load Factor Service

A complete description of these Supply Service Options appears previously in this Service Classification.

(a) ESCO Supply Service (ESS)

RATE: (Per Meter/Per Month)

Rates under the High Load Factor Special Provision are as follows:

<table>
<thead>
<tr>
<th>Service</th>
<th>Effective Date</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>07/01/16</td>
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<tr>
<td>Customer Charge</td>
<td>$7.27</td>
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<tr>
<td>Meter Ownership Charge</td>
<td>$0.76</td>
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<tr>
<td>Meter Service Charge</td>
<td>$10.37</td>
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<tr>
<td>Meter Data Service Charge</td>
<td>$3.61</td>
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<tr>
<td>Demand Charge (All kW, per kW)</td>
<td>$8.56</td>
</tr>
<tr>
<td>Energy Charge (All kWh, per kWh)</td>
<td>$0.00251</td>
</tr>
<tr>
<td>Reactive Charge</td>
<td>$0.00078</td>
</tr>
</tbody>
</table>

Transition Charge (Non-Bypassable Charge [“NBC”]):

All kWh, per kWh

See Transition Charge Statement

Bill Issuance Charge (per bill): $0.81, as described in General Information Section 16.J

Rate Adjustment Mechanism (“RAM”):

All kW, per kW

See RAM Statement, as described in Rule 38

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(l) Industrial/High Load Factor Rate Provision (Cont'd.):

(4) Rate for Qualified High Load Factor Service (Cont'd.)

(b) Reserved for Future Use

Issued in compliance with order in Case No. 09-E-0227 dated 09/28/09.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(l) Industrial/High Load Factor Rate Provision (Cont'd.):

(4) Rate for Qualified High Load Factor Service (Cont'd.)

Reserved for Future use

Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 2 (Continued)

Special Provisions: (Cont'd.)

(l) Industrial/High Load Factor Rate Provision (Cont'd.):

(4) Rate for Qualified High Load Factor Service (Cont'd.)

(c) NYSEG Supply Service (NSS)
Rates under the High Load Factor Special Provision are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>07/01/16</td>
</tr>
<tr>
<td><strong>Delivery Charges</strong></td>
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</tr>
<tr>
<td>Customer Charge</td>
<td>$7.27</td>
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<tr>
<td>Meter Ownership Charge</td>
<td>$0.76</td>
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<td>Meter Service Charge</td>
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<td>Meter Data Service Charge (Meter Reading)</td>
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<td><strong>Demand Charge</strong> (All kWh, per kWh)</td>
<td>$8.56</td>
</tr>
<tr>
<td><strong>Energy Charge</strong> (All kWh, per kWh)</td>
<td>$0.00251</td>
</tr>
<tr>
<td><strong>Reactive Charge</strong> Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
<td>$0.00078</td>
</tr>
</tbody>
</table>

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

See Transition Charge Statement

Commodity Service:
The charge for Electric Power Supply provided by the Company will fluctuate each month as further described in General Information Section 25.1.C., Calculation of the Commodity Charge.

Merchant Function Charge:
All kWh, per kWh

See Merchant Function Charge Statement

Bill Issuance Charge (per bill):
$0.81, as described in General Information Section 16.J.

Rate Adjustment Mechanism ("RAM"):
All kW, per kW

See RAM Statement, as described in Rule 38

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

M) Excelsior Jobs Program (“EJP”)

Service taken under this Service Classification may be eligible for the rates and charges under the Excelsior Jobs Program. For a customer qualifying for the EJP program, such customer shall be subject to the otherwise applicable standard service classification rates, including the Transition Charge (Non-Bypassable Charge [“NBC”]), Commodity, Merchant Function, and Bill Issuance Charges, if applicable, in accordance with the standard NSS or ESS rates for this Service Classification. All customers are also required to pay the System Benefits Charges, Reliability Support Services (RSS), Revenue Adjustment Mechanism (RAM), and Reactive Charges in accordance with the standard NSS or ESS rates for this Service Classification. Qualifying load shall be exempt from the Revenue Decoupling Mechanism (RDM).

EJP customers shall be offered two supply service options and charged in accordance with their choice:

1. ESCO Supply Service
2. NYSEG Supply Service
SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS: (Cont’d.)

(m) Reserved for Future Use

Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SPECIAL PROVISIONS: (Cont'd.)

(m) Reserved for Future Use

(n) Reserved for Future Use

(o) Emergency Demand Response Program ("EDRP")

The EDRP seeks to provide customers with an economic incentive to respond to Emergency Operating Conditions as identified by the NYISO. EDRP can provide the NYISO, through the Company, with the ability to request voluntary load curtailment or replacement by participating customers for electric usage normally supplied and delivered by the Company.

Customers who are qualified under EDRP in Section 20 of the General Information section of this Schedule may participate in the NYSEG EDRP as set forth therein.
SPECIAL PROVISIONS: (Cont'd.)

p. C.A.$H.BACK Special Provision:

The Company shall provide a voluntary program for load normally supplied and delivered by the Company, for eligible customers to curtail load. The Company's program, entitled C.A.$H.BACK, implements the NYISO's day-ahead economic load-curtailment program. Under this program, a customer agrees to curtail load when their bid is submitted and accepted by the NYISO.

Customers who are qualified under C.A.$H.BACK in Section 21 of the General Information section of this Schedule may participate in the Company C.A.$H.BACK Program as set forth therein.

q. 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 22 of this Schedule and taking service under S.C. No. 2.

r. Wind Electric Service Option:

This option is for a customer qualifying for the Wind Electric Service Option pursuant to General Information Section 23 of this Schedule and taking service under S.C. No. 2.

s. Fuel Cell Electric Service Option:

This option is for a customer qualifying for the Fuel Cell Service Option pursuant to General Information Section 30 of this Schedule and taking service under S.C. No. 2.

t. Micro-Hydroelectric Service Option:

This option is for a customer qualifying for the Micro-Hydroelectric Service Option pursuant to General Information Section 31 of this Schedule and taking service under S.C. No. 2.

u. Community Distributed Generation Service Option:

This option is for a customer qualifying for the Community Distributed Generation Service Option pursuant to General Information Section 37 of this Schedule and taking service under S.C. No. 2.
SPECIAL PROVISIONS: (Cont'd.)

w. Solar Non-Residential Electric Service Option:

This option is for a customer qualifying for the Solar Non-Residential Generating Service Option pursuant to General Information Section 27 of this Schedule and taking service under S.C. No. 2.

x. Electric Hybrid Generating System Option:

This option is for a customer qualifying for the Electric Hybrid Generating System Option pursuant to General Information Section 24 of this Schedule and taking service under S.C. No. 2.
APPLICABLE TO THE USE OF SERVICE FOR:

Primary Service for any customer with a demand of 25 kilowatts or more but less than 500 kilowatts.

CHARACTER OF SERVICE:

Continuous - Alternating Current, 60 Cycle;
Primary (Distribution) Service at 2,400, 4,160, 4,800, 7,200, 8,320, 12,000, 12,470, 13,200, 34,500
(Regulated) Volts; Subtransmission Service at 34,500 or 46,000 (Both Non-Regulated) Volts; or 34,500
(Regulated) Volts for “Grandfathered Customers” only; (see Special Provisions (a));
Single or Three Phase. (Characteristics depend upon available circuits and equipment.)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS:

Pursuant to General Information Section 25, Supply Service Options, customers served under this Service Classification shall choose from different electric rate choices offered by the Company as described below. The Company shall offer a Retail Access rate choice and Non-Retail Access rate choices.

The Retail Access choice is the ESCO Supply Service (ESS). The Non-Retail Access choices include the NYSEG Supply Service (NSS) and Hourly Pricing.

The Company shall provide Delivery Service regardless of the customer’s supply service option.

1. ESCO Supply Service (ESS)

This Retail Access choice includes fixed charges for NYSEG delivery service and a Transition Charge (Non-Bypassable Charge [“NBC”]). Supply service shall be provided by an Energy Services Company (ESCO). Customers that elect ESS and receive a Consolidated Bill shall not be subject to the Bill Issuance Charge.
SERVICE CLASSIFICATION NO. 3 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT’D.)

1. ESCO Supply Service (ESS) (cont’d.)

RATE: (Per Meter, Per Month)

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<th>PRIMARY VOLTAGE</th>
<th>Effective Date</th>
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<td>Demand Charge (All kW, per kW)</td>
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<td>$5.81</td>
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</tr>
<tr>
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<td>$0.00262</td>
<td>$0.00261</td>
<td>$0.00261</td>
<td>$0.00261</td>
<td></td>
</tr>
<tr>
<td>Reactive Charge Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
<td>$0.00078</td>
<td>$0.00078</td>
<td>$0.00078</td>
<td>$0.00078</td>
<td></td>
</tr>
</tbody>
</table>

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

Bill Issuance Charge (per bill):
$0.81, as described in General Information Section 16.J.

Rate Adjustment Mechanism (“RAM”):
All kW, per kW
See RAM Statement, as described in Rule 38

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
## SERVICE CLASSIFICATION NO. 3 (Continued)

### SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT’D.)

1. **ESCO Supply Service (ESS) (cont’d.)**

**RATE: (Per Meter, Per Month)**

<table>
<thead>
<tr>
<th>SUBTRANSMISSION VOLTAGE</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery Charges</td>
<td>07/01/16</td>
</tr>
<tr>
<td></td>
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<tr>
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<td></td>
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<tr>
<td>Customer Charge</td>
<td>$274.63</td>
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<tr>
<td></td>
<td>$274.63</td>
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<tr>
<td>Meter Service Charge</td>
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<td></td>
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<tr>
<td>Meter Data Service Charge (Meter Reading)</td>
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<tr>
<td></td>
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<td></td>
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<tr>
<td>Demand Charge (All kW, per kW)</td>
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<td>$4.50</td>
</tr>
<tr>
<td>Reactive Charge</td>
<td></td>
</tr>
<tr>
<td>Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
<td>$0.00078</td>
</tr>
<tr>
<td></td>
<td>$0.00078</td>
</tr>
<tr>
<td></td>
<td>$0.00078</td>
</tr>
<tr>
<td></td>
<td>$0.00078</td>
</tr>
</tbody>
</table>

**Transition Charge (Non-Bypassable Charge [“NBC”]):**

All kWh, per kWh

See Transition Charge Statement

**Bill Issuance Charge (per bill):**

$0.81, as described in General Information Section 16.J.

**Rate Adjustment Mechanism (“RAM”):**

All kW, per kW

See RAM Statement, as described in Rule 38
2. Reserved for Future Use

3. NYSEG Supply Service (NSS)
   This Non-Retail Access choice includes fixed charges for NYSEG delivery service, a Transition Charge (Non-
   Bypassable Charge ["NBC"]), a commodity charge for electricity supplied by NYSEG which fluctuates with the
   market price of electricity, and a Merchant Function Charge.

RATE: (Per Meter, Per Month)

<table>
<thead>
<tr>
<th>PRIMARY VOLTAGE</th>
<th>Effective Date</th>
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</thead>
<tbody>
<tr>
<td>Delivery Charges</td>
<td>07/01/16</td>
</tr>
<tr>
<td>Customer Charge</td>
<td>$61.43</td>
</tr>
<tr>
<td>Meter Ownership Charge</td>
<td>$1.74</td>
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<tr>
<td>Meter Service Charge</td>
<td>$21.54</td>
</tr>
<tr>
<td>Meter Data Service Charge</td>
<td></td>
</tr>
<tr>
<td>(Meter Reading)</td>
<td>$6.30</td>
</tr>
<tr>
<td>Demand Charge (All kW, per kW)</td>
<td>$5.51</td>
</tr>
<tr>
<td>Energy Charge (All kWh, per kWh)</td>
<td>$0.00262</td>
</tr>
<tr>
<td>Reactive Charge</td>
<td>Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
</tr>
</tbody>
</table>

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

Commodity Service:
The charge for Electric Power Supply provided by NYSEG shall fluctuate each month as further described in
General Information Section 25.I.C., Calculation of the Commodity Charge.

Merchant Function Charge:
All kWh, per kWh
See Merchant Function Charge Statement

Bill Issuance Charge (per bill): $0.81, as described in General Information Section 16.J.

Rate Adjustment Mechanism ("RAM"): All kW, per kW
See RAM Statement, as described in Rule 38

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT’D.)

3. NYSEG Supply Service (NSS)

RATE: (Per Meter, Per Month)

<table>
<thead>
<tr>
<th>SUBTRANSMISSION VOLTAGE</th>
<th>Effective Date</th>
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</thead>
<tbody>
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<td></td>
<td>07/01/16</td>
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<tr>
<td>Delivery Charges</td>
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<tr>
<td>Customer Charge</td>
<td>$274.63</td>
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<td>Meter Ownership Charge</td>
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<tr>
<td>Meter Service Charge</td>
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<td>Meter Data Service Charge (Meter Reading)</td>
<td>$4.55</td>
</tr>
<tr>
<td>Demand Charge (All kW, per kW)</td>
<td>$4.10</td>
</tr>
<tr>
<td>Reactive Charge Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
<td>$0.00078</td>
</tr>
</tbody>
</table>

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

Commodity Service:
The charge for Electric Power Supply provided by NYSEG shall fluctuate each month as further described in General Information Section 25.I.C., Calculation of the Commodity Charge.

Merchant Function Charge:
All kWh, per kWh See Merchant Function Charge Statement

Bill Issuance Charge (per bill):
$0.81, as described in General Information Section 16.J.

Rate Adjustment Mechanism (“RAM”):
All kW, per kW See RAM Statement, as described in Rule 38

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT’D.)

4. Hourly Pricing – Mandatory and Voluntary

Hourly Pricing is voluntary for any customer taking service under Service Classification No. 3 except as follows:

Effective January 1, 2010, Hourly Pricing is mandatory for any customer taking service under Service Classification No. 3 with a billed demand greater than or equal to 300 kW in any two months within the 12 months prior to September 1, 2009, including customers that received an economic incentive or NYPA allocation on or after January 1, 2007.

A customer taking service under Hourly Pricing shall remain subject to this provision until their monthly metered demand has been less than 300 kW for 12 consecutive months. Customers served under this provision must select the ESCO Supply Service (ESS) or NYSEG Hourly Day-Ahead Market Pricing (“Hourly Pricing”) described within this Service Classification.

Customers that received an economic incentive or NYPA allocation beginning on or prior to December 31, 2006 and does not have a restriction for the Supply Service Option may opt to participate in Hourly Pricing. If such customer opts to participate in Hourly Pricing, the customer must choose the same Supply Service Option for its incentive, non-incentive and any future load.

DELIVERY CHARGES:

The delivery charges set forth in this Service Classification for the NSS (NYSEG Supply Service) shall apply to a customer taking service under Hourly Pricing. A customer that qualifies for the Industrial/High Load Factor Special Provision shall pay the delivery charges as set forth in Special Provision (h).

NYSEG Hourly Day-Ahead Market Pricing Option (“Hourly Pricing”)

This Non-Retail Access choice includes fixed charges for NYSEG delivery service, a Transition Charge (Non-Bypassable Charge [“NBC”]) as described above and in further detail in General Information Section 25.I.B., the Merchant Function Charge, and a commodity charge for electricity supply that fluctuates hourly with the market price of electricity including losses, unaccounted for energy, capacity, and capacity reserves, as further described herein. Electricity supply is provided by NYSEG.
SERVICE CLASSIFICATION NO. 3 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT’D.)

4. Hourly Pricing — Mandatory and Voluntary (Cont’d.)

   NYSEG Hourly Day-Ahead Market Pricing Option (“Hourly Pricing”) (Cont’d.)

   Reserved for Future Use
SERVICE CLASSIFICATION NO. 3 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

4. **Hourly Pricing – Mandatory and Voluntary** (Cont'd.)

   NYSEG Hourly Day-Ahead Market Pricing Option (“Hourly Pricing”) (Cont’d.)

   Reserved for Future Use
SERVICE CLASSIFICATION NO. 3 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

4. Hourly Pricing – Mandatory and Voluntary (Cont’d.)

DETERMINATION OF DEMAND:

Customers taking service under this Special Provision shall pay a demand charge calculated as described in Service Classification No. 7, Determination of Demand section.

METERING AND COMMUNICATION REQUIREMENTS:

1. Customer Responsibilities:
   All customers subject to this special provision are required to have interval metering and remote meter reading capability. Such customers shall be responsible for the following:
   a. the costs of providing remote meter reading capability through dedicated telecommunications to and from the meter; and
   b. the dedicated telecommunications shall be approved by the Company, and
   c. all costs associated with the installation, operation and maintenance of the telecommunications equipment, including but not limited to, all telecommunications service bills. If the Company is unable to read the meter through a customer provided connection, and the Company has determined that the problem is not caused by the Company's equipment, the customer shall be responsible for resolution of the problem. The customer shall also be responsible for reimbursement of the Company expenses incurred for visits to the meter location to ascertain the cause of the problem, including reimbursing the Company for any expenses the Company incurs, such as, but not limited to, the cost to provide a manual meter read.

2. Company Responsibilities:
   a. Equipment shall be replaced at the Company's discretion and shall be based upon available resources and Company Schedule.
   b. In the absence of equipment failure, if the customer requests replacement of working equipment, it shall be scheduled by order of request and availability.
SERVICE CLASSIFICATION NO. 3 (Continued)

RATE CHOICES AVAILABLE TO CUSTOMERS:

MERCHANT FUNCTION CHARGE:

The Merchant Function Charge reflects the administrative costs of obtaining electricity supply. 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 Customer Charge plus the Bill Issuance Charge, if applicable, as listed above, or as otherwise stated in the applicable special provisions.

The minimum charge for customers who choose to take all or part of their back-up or maintenance service under this service classification rather than under Special Provision (d) of NYSEG's Service Classification No. 11 is described in the "DETERMINATION OF DEMAND" section.

REVENUE DECOUPLING MECHANISM ("RDM"):

A customer taking service under this Service Classification shall be subject to a Revenue Decoupling Mechanism adjustment as explained in this Schedule, General Information Section 7. Customers taking Subtransmission service are excluded from the RDM. See RDM Statement

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
SERVICE CLASSIFICATION NO. 3 (Continued)

RATES CHOICES AVAILABLE TO CUSTOMERS: (CONT'D.)

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 Rule 4). See SBC 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 Rule 3). See RSS Statement.

RATE ADJUSTMENT MECHANISM ("RAM"): 
The RAM shall be applied per kW to kW delivered under this Service Classification, (as explained in this schedule, General Information Rule 38). See RAM Statement.

COMPETITIVE METERING OPTION: 
Qualified Customers who select the Competitive Metering Option must comply with the requirements specified in P.S.C. No. 119 - Electricity and specified in General Information Section 14 of this Schedule, and shall not be charged the Meter Ownership, Meter Services, and Meter Data Service Charges.

METER OWNED BY CUSTOMER, INSTALLED AND MAINTAINED BY THE COMPANY 
Customers electing to own their own meters, as described in Section 3.A.2 of P.S.C. No. 119 - Electricity, shall not be charged the Meter Ownership Charge. This provision is separate and distinct from Competitive Metering.

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 P.S.C. No. 120 to reflect the tax rates applicable within the municipality where the customer takes service.
SERVICE CLASSIFICATION NO. 3 (Continued)

DETERMINATION OF DEMAND:
The billing demand shall be the metered demand, which is the highest average kilowatts used in a 15-minute interval during the month.

For subtransmission customers also served by the Company under Special Provision F of Service Classification No. 10, the measured demand of the output provided by the customer's generating facility shall be added to the measured demand as determined by the Company'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 Special Provision (d) of the Company's Service Classification No. 11 shall pay a minimum demand charge as described in the Company's Service Classification No. 11. Customers shall 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 shall 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 shall only pay the contract demand charge in that month. If it is less than the demand charge in this service classification, then the customer shall pay that difference in that month.

DETERMINATION OF REACTIVE KILOVOLT-AMPERE HOURS:
Whenever the customer's metered demand is 200 kW or more for two consecutive billing periods, the reactive kilovolt-ampere hours shall thereafter be metered. The billing reactive kilovolt-ampere hours shall be the reactive kilovolt-ampere hours in excess of one-third of the metered kWh.

Effective 05/01/2010:
Whenever the customer's metered demand is 200 kW or more for two billing periods in any two of the previous 12 months, the reactive kilovolt-ampere hours shall thereafter be metered. The billing reactive kilovolt-ampere hours shall be the reactive kilovolt-ampere hours in excess of ¼ of the metered kWh.

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 year and thereafter until terminated by 30 days' written notice. However, the Company may, with the permission of the Public Service Commission, require the customer to agree to take service at rates from time to time effective for a longer term dependent upon the amount of investment required or other unusual conditions incident to the service.

 ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERIAL PROVISIONS:

(a) Primary Discounts:

This provision is no longer available to additional customers on or after January 1, 2007.

The above subtransmission rates reflect a discount for a customer who furnishes and maintains the necessary substation and purchases energy at 34,500 or 46,000 (both Non-Regulated) Volts.

Customers receiving service prior to February 15, 2000 ("Grandfathered Customers"), shall receive the stated Primary Discounts when the customer furnishes and maintains the necessary substation and purchases energy at 34,500 (Regulated).

(b) Budget Billing:

Customers may, by signing an application, be billed monthly in accordance with the plan set forth in Section 4-P of P.S.C. No. 119 - Electricity or superseding issues thereof.

(c) Submetering:

Submetering may be available according to certain conditions as explained in the general information leaves of this schedule, Section 2, Submetering.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
SPECIAL PROVISIONS: (Cont'd)

(d) Economic Incentives:

(1) Reserved for Future Use

(2) Reserved for Future Use
SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(d) Economic Incentives: (Cont'd)

(3) Economic Development Zone Incentive:

Customers who qualify, under the Economic Development Zone Incentive (EDZI) in Section 9 of the General Information section of this Schedule, to receive an incentive for load qualified on or after July 1, 2003 may select one of the following rate options, as specified in this Service Classification and Section 25, Supply Service Options, for all of their load: 1) NYSEG Supply Service (NSS), 2) ESCO Supply Service (ESS), or 3) Hourly Pricing.

Such customers shall have their service bills reduced, for a term of 10 years following initial zone certification, beginning with the eligibility date on the zone certificate (unless the customer’s initial zone certification(s) becomes invalid).
SPECIAL PROVISIONS: (Cont’d.)

(d) Economic Incentives: (Cont’d)

(3) Economic Development Zone Incentive: (Cont’d.)

All customers shall be required to pay the Commodity, Merchant Function and Bill Issuance Charges, if applicable, System Benefits Charge, Revenue Decoupling Mechanism, Reliability Support Services (RSS), and Revenue Adjustment Mechanism (RAM), in accordance with the standard NSS, ESS, or Hourly Pricing rates for this Service Classification. Hourly Pricing customers shall also be billed the Electric Capacity Charge in accordance with the Hourly Pricing rates for this Service Classification.

Such customers shall be exempt from paying the Transition Charge (Non-Bypassable Charge ["NBC"]). For certain adjustments approved by the Commission, a separate credit shall be calculated and placed on the customer’s bill. If it is determined that a bill calculated with the incentive exceeds a bill calculated under the otherwise applicable standard service classification rates, the customer shall pay the lower of the two bills.

The qualified load receiving the incentive shall be billed at the following applicable delivery rates:

<table>
<thead>
<tr>
<th>PRIMARY VOLTAGE</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery Charges</td>
<td>07/01/16</td>
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</tr>
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<td>Meter Ownership Charge</td>
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<td>Reactive Charge Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
<td>$0.00078</td>
</tr>
</tbody>
</table>
SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(d) Economic Incentives: (Cont'd)

(3) Economic Development Zone Incentive: (Cont'd.)

All customers receiving Subtransmission Voltage service shall be subject to the otherwise applicable standard service classification rates, including the Transition Charge (Non-Bypassable Charge ["NBC"]), Commodity, and Merchant Function and Bill Issuance Charges, if applicable, System Benefits Charge, Revenue Decoupling Mechanism, Reliability Support Services (RSS), and Revenue Adjustment Mechanism (RAM), in accordance with the standard NSS, ESS, or Hourly Pricing rates for this Service Classification.
SPECIAL PROVISIONS: (Cont'd.)

(d) Economic Incentives: (Cont'd)

(4) Reserved for Future Use

(5) Recharge New York (“RNY”) Power Program

Customers who qualify for the Recharge NY Power Program pursuant to Section 11 of the General Information Section of this Schedule, shall have such power billed in accordance with the provision therein. The customer's power requirements in excess of the RNY Power allocation shall be billed in accordance with the ESCO Supply Service rate or the NYSEG Supply Service rate of this Service Classification applicable to the customer's voltage level.
SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(d) Economic Incentives: (Cont'd)

(6) Reserved for Future Use

(7) Reserved for Future Use
SPECIAL PROVISIONS: (Cont’d.)

(d) Economic Incentives: (Cont’d)

(8) Incremental Load Incentive (“ILI”):

Customers who qualify under the Incremental Load Incentive (ILI) in Section 19 of the General Information section may select one of the following rate options, as specified in this Service Classification and Section 25, Supply Service Options, for all of their load: 1) NYSEG Supply Service (NSS), 2) ESCO Supply Service (ESS), or 3) Hourly Pricing.

Such customers shall receive the incentive for a term of 60 months. All customers shall be subject to the otherwise applicable standard service classification rates, including the Transition Charge (Non-Bypassable Charge [“NBC”]), Commodity, and Merchant Function and Bill Issuance Charges, if applicable, System Benefits Charge, Revenue Decoupling Mechanism, Reliability Support Services (RSS), and Revenue Adjustment Mechanism (RAM), if applicable, in accordance with the standard NSS, ESS, or Hourly Pricing rates for this Service Classification.
SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(e) Controlled Load Time-of-Use Service Option:

Customers who have a total connected load of at least 25 kW, with at least 12.5 kW of that load being newly installed controlled equipment, may choose to take their entire service under Service Classification No. 7 with Time-of-Use metering. Controlled Load equipment shall include, but not be limited to, Electric Thermal Storage equipment (E.T.S.), Air Conditioning equipment, Water Heating or other Heating/Cooling installations which are designed to operate advantageously during off-peak hours as defined in Service Classification No. 7.

(f) Reserved for Future Use
SPECIAL PROVISIONS: (Cont'd.)

(f) Reserved for Future Use

(g) Energy Smart Community (“ESC”) Rate Option Pilot
    A qualifying customer located within the certain portions of Tompkins County may enroll in the ESC Rate Option Pilot as set forth in Rule 41.
SPECIAL PROVISIONS: (Cont'd.)

(h) Industrial/High Load Factor ("I/HLF") Rate Provision:

(1) Available to a customer's account that meets usage eligibility as defined in (2) or (3) of this section. Customers who are taking service under NYSEG's Economic Development Incentive, Economic Development Zone Incentive, New York Power Authority (NYPA) programs (Expansion Power, Economic Development Power, Replacement Power, High Load Manufacturer Power, Power For Jobs and Preservation Power) or S.C. 14 may take service under this rate provision, only for that portion of their load served at NYSEG's standard tariff rate, provided that the non-discounted load meets the eligibility requirements of this special provision. Allocation of billing units (kW, kWh, kvah) for partial load is explained in (3) of this section.

I/HLF rates are not available for Subtransmission Voltage service.

Recipients of other NYSEG incentive rates applicable to their entire load, may qualify for this special provision by relinquishing eligibility under the incentive, provided that they meet the eligibility requirements of this special provision.

(2) Eligibility:

Eligibility will be determined based on the total metered demand and energy excluding the NYPA portion of that metered amount.

(i) Industrial Rate Provision:

Not applicable to customers in this service classification. Customers with average annual demands in excess of 500 kW, are served under S.C. No. 7.
SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(h) Industrial/High Load Factor Rate Provision: (Cont'd.)

(2) Eligibility: (Cont'd.)

(ii) High Load Factor Rate Provision:

Applicable to an existing customer's account having an annual load factor of 68.0% or greater (approximately 500 hours' average use of kW demand per month). Also applicable to a new customer's account with an estimated annual load factor of 68.0% or greater. Annual load factor for this provision is calculated as follows:

\[ \frac{A}{D \times H} \]

\( A \) = Annual kWh. For existing customers this will be the actual total energy usage billed during the most recent 12 consecutive months. For new customers or customers with incomplete history, the annual usage will be estimated by the Corporation from engineering and operating estimates to fit within the time period.

\( D \) = Maximum demand. For existing customers this will be the highest billed demand during the most recent 12 consecutive months. For new customers or customers with incomplete history, the demand will be estimated by the Corporation from engineering and operating estimates to fit within the time period.

\( H \) = Number of total hours in the annual billing period.

(3) Allocation of Billing Units for Partial Load:

Billing units (kW, kWh, kvarh) will be allocated between the Industrial/High Load Factor and Economic Incentive portions of the customer's bill based on the following formula:

\[
\begin{align*}
B & = \text{Billing kW} \\
T & = \text{Total kWh} \\
E_{KWH} & = \text{Incented kWh} \\
E_{KW} & = \text{Incented kW} \\
N_{KW} & = \text{Non-incented kW} \\
\end{align*}
\]

\[
(E_{KWH} / T) \times B = E_{KW}
\]

\[
B - E_{KW} = N_{KW}
\]
(h) Industrial/High Load Factor Rate Provision: (Cont'd.)

(4) Rate Qualification Review:
Each account shall be reviewed annually for continued qualification, based on the load factor during the previous year. Such review shall occur 12 months after the initiation of this rate provision, and shall be repeated each year thereafter. To maintain qualification for this rate, a customer account's annual load factor must be 68.0% or greater.

(5) Rate for Qualified High Load Factor Service:

A complete description of these Supply Service Options appears previously in this Service Classification.

(a) ESCO Supply Service (ESS)
Rates under the High Load Factor Special Provision are as follows:

<table>
<thead>
<tr>
<th>PRIMARY VOLTAGE</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>07/01/16</td>
</tr>
<tr>
<td>Delivery Charges</td>
<td></td>
</tr>
<tr>
<td>Customer Charge</td>
<td>$61.43</td>
</tr>
<tr>
<td>Meter Ownership Charge</td>
<td>$1.74</td>
</tr>
<tr>
<td>Meter Service Charge</td>
<td>$21.54</td>
</tr>
<tr>
<td>Meter Data Service Charge (Meter Reading)</td>
<td>$6.30</td>
</tr>
<tr>
<td>Demand Charge</td>
<td>$5.36</td>
</tr>
<tr>
<td>Energy Charge (All kWh, per kWh)</td>
<td>$0.00254</td>
</tr>
<tr>
<td>Reactive Charge</td>
<td>$0.00078</td>
</tr>
</tbody>
</table>

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

Bill Issuance Charge (per bill): $0.81, as described in General Information Section 16.J.

Rate Adjustment Mechanism ("RAM"): All kW, per kW See RAM Statement, as described in Rule 38

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
(h) Industrial/High Load Factor Rate Provision: (Cont'd.)

(5) Rate for Qualified High Load Factor Service: (Cont'd.)

(b) Reserved for Future Use
SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (Cont'd.)
(h) Industrial/High Load Factor Rate Provision: (Cont'd.)

(5) Rate for Qualified High Load Factor Service: (Cont'd.)

(b) Reserved for Future Use
SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(h) Industrial/High Load Factor Rate Provision: (Cont'd.)

(5) Rate for Qualified High Load Factor Service: (Cont'd.)

(c) NYSEG Supply Service (NSS)

Rates under the High Load Factor Special Provision are as follows:

<table>
<thead>
<tr>
<th>PRIMARY VOLTAGE</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery Charges</td>
<td></td>
</tr>
<tr>
<td>Customer Charge</td>
<td>$61.43</td>
</tr>
<tr>
<td></td>
<td>$61.43</td>
</tr>
<tr>
<td></td>
<td>$66.46</td>
</tr>
<tr>
<td></td>
<td>$71.59</td>
</tr>
<tr>
<td>Meter Ownership Charge</td>
<td>$1.74</td>
</tr>
<tr>
<td></td>
<td>$1.74</td>
</tr>
<tr>
<td></td>
<td>$1.74</td>
</tr>
<tr>
<td></td>
<td>$1.74</td>
</tr>
<tr>
<td>Meter Service Charge</td>
<td>$21.54</td>
</tr>
<tr>
<td></td>
<td>$21.54</td>
</tr>
<tr>
<td></td>
<td>$21.54</td>
</tr>
<tr>
<td></td>
<td>$21.54</td>
</tr>
<tr>
<td>Meter Data Service Charge (Meter Reading)</td>
<td>$6.30</td>
</tr>
<tr>
<td></td>
<td>$6.30</td>
</tr>
<tr>
<td></td>
<td>$6.30</td>
</tr>
<tr>
<td></td>
<td>$6.30</td>
</tr>
<tr>
<td>Demand Charge (All kW, per kW)</td>
<td>$5.36</td>
</tr>
<tr>
<td></td>
<td>$5.51</td>
</tr>
<tr>
<td></td>
<td>$5.81</td>
</tr>
<tr>
<td></td>
<td>$6.12</td>
</tr>
<tr>
<td>Energy Charge (All kWh, per kWh)</td>
<td>$0.00254</td>
</tr>
<tr>
<td></td>
<td>$0.00261</td>
</tr>
<tr>
<td></td>
<td>$0.00261</td>
</tr>
<tr>
<td></td>
<td>$0.00261</td>
</tr>
<tr>
<td>Reactive Charge Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
<td>$0.00078</td>
</tr>
<tr>
<td></td>
<td>$0.00078</td>
</tr>
<tr>
<td></td>
<td>$0.00078</td>
</tr>
<tr>
<td></td>
<td>$0.00078</td>
</tr>
</tbody>
</table>

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

Commodity Service:
The charge for Electric Power Supply provided by the Company will fluctuate each month as further described in General Information Section 25.I.C., Calculation of the Commodity Charge.

Merchant Function Charge:
All kWh, per kWh  See Merchant Function Charge Statement

Bill Issuance Charge (per bill): $0.81, as described in General Information Section 16.J.

Rate Adjustment Mechanism (“RAM”):
All kW, per kW  See RAM Statement, as described in Rule 38

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
(h) **Industrial/High Load Factor Rate Provision** (Cont'd.)

(5) **Rate for Qualified High Load Factor Service (Per Month)** (Cont'd.)

**Primary Discounts:**

This provision is no longer available to additional customers on or after January 1, 2007.

The above subtransmission rates reflect a discount for a customer who furnishes and maintains the necessary substation and purchases energy at 34,500 or 46,000 (both Non-Regulated) volts.

Customers receiving service prior to February 15, 2000 ("Grandfathered Customer"), shall receive the stated Primary Discounts when the customer furnishes and maintains the necessary substation and purchases energy at 34,500 (Regulated).
SPECIAL PROVISIONS: (Cont'd.)

(i) Reserved for Future Use

Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(i) Reserved for Future Use

Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SPECIAL PROVISIONS: (Cont'd.)

(j) Emergency Demand Response Program ("EDRP")

The EDRP seeks to provide customers with an economic incentive to respond to Emergency Operating Conditions as identified by the NYISO. EDRP can provide the NYISO, through the Company, with the ability to request voluntary load curtailment or replacement by participating customers for electric usage.

Customers who are qualified under EDRP in Section 20 of the General Information section of this Schedule may participate in the NYSEG EDRP as set forth therein.

Issued in compliance with order in Case No. 07-E-0749 dated 08/29/07.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
k. C.A.$.H.BACK Special Provision

The Company shall provide a voluntary program for load normally supplied and delivered by the Company, for eligible customers to curtail load. The Company's program, entitled C.A.$.H.BACK, implements the NYISO's day-ahead economic load-curtailment program. Under this program, a customer agrees to curtail load when their bid is submitted and accepted by the NYISO.

Customers who are qualified under C.A.$.H.BACK in Section 21 of the General Information section of this Schedule may participate in the Company’s C.A.$.H.BACK Program as set forth therein.

l. 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 22 of this Schedule, and taking service under S.C. No. 3.

m. Wind Electric Service Option:

This option is for a customer qualifying for the Wind Electric Generating System Option pursuant to General Information Section 23 of this Schedule and taking service under S.C. No. 3.

n. Solar Non-Residential Electric Service Option:

This option is for a customer qualifying for the Solar Non-Residential Generating Service Option pursuant to General Information Section 27 of this Schedule and taking service under S.C. No. 3.

o. Electric Hybrid Generating System Option:

This option is for a customer qualifying for the Electric Hybrid Generating System Option pursuant to General Information Section 24 of this Schedule and taking service under S.C. No. 3.

p. Fuel Cell Electric Service Option:

This option is for a customer qualifying for the Fuel Cell Service Option pursuant to General Information Section 30 of this Schedule and taking service under S.C. No. 3.

q. Micro-Hydroelectric Service Option:

This option is for a customer qualifying for the Micro-Hydroelectric Service Option pursuant to General Information Section 31 of this Schedule and taking service under S.C. No. 3.

r. Community Distributed Generation Service Option:

This option is for a customer qualifying for the Community Distributed Generation Service Option pursuant to General Information Section 37 of this Schedule and taking service under S.C. No. 3.
SPECIAL PROVISIONS: (Cont’d.)

s. Excelsior Jobs Program (“EJP”)

Service taken under this Service Classification may be eligible for the rates and charges under the Excelsior Jobs Program. Any customer who meets the qualifications set forth under General Information Section 32 shall pay for service at the following rate:

RATE: (per month)

For primary voltage customers qualifying for the EJP, the Transition Charge (Non-Bypassable Charge [“NBC”]) and the Revenue Decoupling Mechanism (RDM) Adjustment do not apply. All customers shall be required to pay the Commodity, Merchant Function and Bill Issuance Charges, if applicable, System Benefits Charge, Reliability Support Services (RSS), and Revenue Adjustment Mechanism (RAM), in accordance with the standard NSS, ESS, or Hourly Pricing rates for this Service Classification. Hourly Pricing customers shall also be billed the Electric Capacity Charge in accordance with the Hourly Pricing rates for this Service Classification. If it is determined that a bill calculated with the incentive exceeds a bill calculated under the otherwise applicable standard service classification rates, the customer shall pay the lower of the two bills.

<table>
<thead>
<tr>
<th>PRIMARY VOLTAGE</th>
<th>07/01/16</th>
<th>05/01/17</th>
<th>05/01/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery Charges</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Charge</td>
<td>$61.43</td>
<td>$66.46</td>
<td>$71.59</td>
</tr>
<tr>
<td>Meter Ownership Charge</td>
<td>$1.74</td>
<td>$1.74</td>
<td>$1.74</td>
</tr>
<tr>
<td>Meter Service Charge</td>
<td>$21.54</td>
<td>$21.54</td>
<td>$21.54</td>
</tr>
<tr>
<td>Meter Data Service Charge (Meter Reading)</td>
<td>$6.30</td>
<td>$6.30</td>
<td>$6.30</td>
</tr>
<tr>
<td>Demand Charge (All kW, per kW)</td>
<td>$5.51</td>
<td>$5.81</td>
<td>$6.12</td>
</tr>
<tr>
<td>Energy Charge (All kWh, per kWh)</td>
<td>$0.00262</td>
<td>$0.00261</td>
<td>$0.00261</td>
</tr>
<tr>
<td>Reactive Charge Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
<td>$0.00078</td>
<td>$0.00078</td>
<td>$0.00078</td>
</tr>
</tbody>
</table>

Effective 9/01/12:

Subtransmission voltage customers shall be subject to the otherwise applicable standard service classification rates, including the Transition Charge, Commodity, and Merchant Function and Bill Issuance Charges, if applicable, System Benefits Charge, Reliability Support Services (RSS), and Revenue Adjustment Mechanism (RAM), and in accordance with the standard NSS, ESS, or Hourly Pricing rates for this Service Classification. Qualifying load shall be exempt from the Revenue Decoupling Mechanism (RDM).

EJP customers shall be offered two supply service options and charged in accordance with their choice:

1. ESCO Supply Service
2. NYSEG Supply Service

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
SERVICE CLASSIFICATION NO. 4

This Service Classification is hereby cancelled. On and after the effective date hereof, customers formerly served under this Service Classification will be served under Service Classification No. 7.
SERVICE CLASSIFICATION NO. 5

APPLICABLE TO THE USE OF SERVICE FOR:
Outdoor lighting for residential and general service customers where applicable electric service is available.

CHARACTER OF SERVICE:
Unmetered service from dusk to dawn of approximately 4,200 hours per year. The Corporation will own, operate and maintain the facilities required and will supply the following types of service:

(a) **Overhead Service:**
Luminaires will be mounted on available wood or fiberglass poles owned by the Corporation or on Corporation-approved customer-owned poles.

(b) **Underground Service:**
Luminaires will be mounted on metal, fiberglass or wood poles owned by the Corporation or on Corporation-approved customer-owned poles using the Corporation's existing distribution facilities or where the Corporation is in the process of constructing a new underground distribution system. The customer will be responsible for the construction and maintenance of the underground wire, cable and conduit facilities dedicated to serving the underground lighting system. All such facilities will be constructed in accordance with Company standards. Poles, luminaires, brackets and screw-in bases will be installed and maintained by the Corporation, unless the customer elects to pay for such facilities and be billed therefore under Special Provision K "Contributory Provisions". Energizing or de-energizing of any such underground system will be the responsibility of and performed only by the Corporation. The Company reserves the right to refuse service to any part of such customer-provided facility that does not meet general Corporation specifications.

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS:

Pursuant to General Information Section 25, Supply Service Options, customers served under this Service Classification will choose from different electric rate choices offered by the Company as described below. NYSEG will 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 Access choice is the NYSEG Supply Service (NSS).
SERVICE CLASSIFICATION NO. 5 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT’D.)

The Company shall provide Delivery Service regardless of the customer’s Supply Service Option.

1. ESCO Supply Service (ESS)

This Retail Access choice includes fixed charges for NYSEG delivery service and a Transition Charge (Non-Bypassable Charge [“NBC”]).

kWh use shall be determined for the customer’s billing period based on the monthly kWh for each type of luminaire and lumen rating as set forth in this Service Classification.

Delivery Service:

<table>
<thead>
<tr>
<th>Delivery Charges</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Charge (All kWh, per kWh)</td>
<td>07/01/16</td>
</tr>
<tr>
<td></td>
<td>$0.02724</td>
</tr>
<tr>
<td>Transition Charge (All kWh, per kWh)</td>
<td>See Transition Charge Statement</td>
</tr>
</tbody>
</table>

Bill Issuance Charge (per bill): $0.81, as described in General Information Section 16.J. and applicable to those customers where charges for this service classification are the only charges that appear on the customer’s bill.

RATE: (Per Month)

Lamp Charge: (Area Lights) Available only for Mercury Vapor Safeguard Luminaires served under Special Provision A below, and in service prior to effective date of this leaf, which are converted to HPS by use of special lamping.

<table>
<thead>
<tr>
<th>Lamp Style &amp; Size</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safeguard Luminaires (Post-2/1/88)</td>
<td>07/01/16</td>
</tr>
<tr>
<td>14,500 Nominal Lumen 150 Watt H.P.S. (replacing 7,000 L. 175 Watt M.V.)</td>
<td>$6.64</td>
</tr>
<tr>
<td>43,000 Nominal Lumen 400 Watt H.P.S. (replacing 17,200 L. 400 Watt M.V.)</td>
<td>$9.74</td>
</tr>
<tr>
<td>123,000 Nominal Lumen 940 Watt H.P.S. (replacing 48,000 L. 1,000 Watt M.V.)</td>
<td>$8.07</td>
</tr>
<tr>
<td>Lamp Charge: (Area Lights)</td>
<td></td>
</tr>
<tr>
<td>3,300 Nominal Lumen (50 Watt) H.P.S.* (PACKLITE)</td>
<td>$3.61</td>
</tr>
<tr>
<td>5,200 Nominal Lumen (70 Watt) H.P.S.* (PACKLITE)</td>
<td>$3.55</td>
</tr>
<tr>
<td>8,500 Nominal Lumen (100 Watt) H.P.S.*</td>
<td>$3.52</td>
</tr>
<tr>
<td>3,200 Nominal Lumen (100 Watt) Mercury (PACKLITE)*</td>
<td>$3.41</td>
</tr>
<tr>
<td>5,200 Nominal Lumen (70 Watt) H.P.S. Power Bracket</td>
<td>$6.80</td>
</tr>
<tr>
<td>8,500 Nominal Lumen (100 Watt) H.P.S. Power Bracket</td>
<td>$7.40</td>
</tr>
<tr>
<td>14,400 Nominal Lumen (150 Watt) H.P.S.</td>
<td>$12.20</td>
</tr>
<tr>
<td>24,700 Nominal Lumen (250 Watt) H.P.S.</td>
<td>$11.96</td>
</tr>
<tr>
<td>45,000 Nominal Lumen (400 Watt) H.P.S.</td>
<td>$11.69</td>
</tr>
<tr>
<td>126,000 Nominal Lumen (1,000 Watt) H.P.S.</td>
<td>$10.91</td>
</tr>
<tr>
<td>10,500 Nominal Lumen (175 Watt) Metal Halide Power Bracket</td>
<td>$5.03</td>
</tr>
<tr>
<td>16,000 Nominal Lumen (250 Watt) Metal Halide</td>
<td>$12.97</td>
</tr>
<tr>
<td>28,000 Nominal Lumen (400 Watt) Metal Halide</td>
<td>$12.80</td>
</tr>
</tbody>
</table>

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
### SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

#### 1. ESCO Supply Service (ESS) (Cont'd.)

RATE: (Per Month) (Cont'd.)

<table>
<thead>
<tr>
<th>Lamp Style &amp; Size</th>
<th>Monthly Unit Rate</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lamp Charge: (Flood Lights)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14,400 Nominal Lumen (150 Watt) H.P.S.</td>
<td>$13.01</td>
<td>$13.63</td>
</tr>
<tr>
<td>24,700 Nominal Lumen (250 Watt) H.P.S</td>
<td>$12.79</td>
<td>$13.40</td>
</tr>
<tr>
<td>45,000 Nominal Lumen (400 Watt) H.P.S.</td>
<td>$12.56</td>
<td>$13.16</td>
</tr>
<tr>
<td>126,000 Nominal Lumen (1,000 Watt) H.P.S.</td>
<td>$13.99</td>
<td>$14.66</td>
</tr>
<tr>
<td>16,000 Nominal Lumen (250 Watt) Metal Halide</td>
<td>$12.13</td>
<td>$12.71</td>
</tr>
<tr>
<td>28,000 Nominal Lumen (400 Watt) Metal Halide</td>
<td>$13.36</td>
<td>$14.00</td>
</tr>
<tr>
<td>88,000 Nominal Lumen (1,000 Watt) Metal Halide</td>
<td>$13.94</td>
<td>$14.60</td>
</tr>
<tr>
<td><strong>Lamp Charge: (&quot;Shoebox&quot; Luminaire)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14,400 Nominal Lumen (150 Watt) H.P.S.</td>
<td>$13.74</td>
<td>$14.40</td>
</tr>
<tr>
<td>24,700 Nominal Lumen (250 Watt) H.P.S</td>
<td>$16.21</td>
<td>$16.99</td>
</tr>
<tr>
<td>45,000 Nominal Lumen (400 Watt) H.P.S.</td>
<td>$17.19</td>
<td>$18.02</td>
</tr>
<tr>
<td>16,000 Nominal Lumen (250 Watt) Metal Halide</td>
<td>$12.99</td>
<td>$13.61</td>
</tr>
<tr>
<td>28,000 Nominal Lumen (400 Watt) Metal Halide</td>
<td>$12.81</td>
<td>$13.43</td>
</tr>
<tr>
<td>88,000 Nominal Lumen (1,000 Watt) Metal Halide</td>
<td>$18.45</td>
<td>$19.33</td>
</tr>
<tr>
<td><strong>Lamp Charge: (Post Tops)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3,300 Nominal Lumen (50 Watt) H.P.S.*</td>
<td>$9.99</td>
<td>$10.47</td>
</tr>
<tr>
<td>5,200 Nominal Lumen (70 Watt) H.P.S.</td>
<td>$9.99</td>
<td>$10.47</td>
</tr>
<tr>
<td>8,500 Nominal Lumen (100 Watt) H.P.S.</td>
<td>$9.97</td>
<td>$10.45</td>
</tr>
<tr>
<td><strong>High Pressure Sodium Cobra: (non-residential only)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5,200 Nominal Lumen (70 Watt) H.P.S.</td>
<td>$7.43</td>
<td>$7.79</td>
</tr>
<tr>
<td>8,500 Nominal Lumen (100 Watt) H.P.S.</td>
<td>$7.43</td>
<td>$7.79</td>
</tr>
<tr>
<td>Brackets - standard (up to 16')</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Brackets - 16' and over</td>
<td>$2.44</td>
<td>$2.56</td>
</tr>
<tr>
<td>Additional Wood Pole Installed for Lamp</td>
<td>$12.49</td>
<td>$13.08</td>
</tr>
<tr>
<td>Wire Service (Overhead) (Per circuit foot of extension)</td>
<td>$0.03</td>
<td>$0.04</td>
</tr>
<tr>
<td>18' Fiberglass Pole - Direct Embedded</td>
<td>$12.89</td>
<td>$13.51</td>
</tr>
<tr>
<td>20' Fiberglass Pole - Pedestal Mount</td>
<td>$44.76</td>
<td>$46.90</td>
</tr>
<tr>
<td>20' Metal Pole - Pedestal Mount</td>
<td>$44.76</td>
<td>$46.90</td>
</tr>
<tr>
<td>30' Metal Pole - Pedestal Mount</td>
<td>$44.76</td>
<td>$46.90</td>
</tr>
<tr>
<td>30' Fiberglass Pole - Pedestal Mount</td>
<td>$44.76</td>
<td>$46.90</td>
</tr>
<tr>
<td>30' Fiberglass Pole - Direct Embedded</td>
<td>$19.60</td>
<td>$20.54</td>
</tr>
<tr>
<td>Screw Base for Pedestal Mounted Pole - Light Duty</td>
<td>$13.63</td>
<td>$14.28</td>
</tr>
<tr>
<td>Screw Base for Pedestal Mounted Pole - Heavy Duty</td>
<td>$17.39</td>
<td>$18.22</td>
</tr>
</tbody>
</table>

H.P.S. - High Pressure Sodium

PACKLITE/Power Bracket - for pole mount only.

*Luminaires are no longer available for new installations. Upon failure and fulfillment of contract, lights will not be replaced in kind. Customer may select an alternative luminaire.

Note: The rating of lamps in lumens is for identification purposes only and shall approximate the manufacturer's standard rating.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 5 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

Reserved for Future Use

Issued in compliance with order in Case No. -07-E-0479 dated 08/29/07.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 5 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

*NYSEG will provide Delivery and Commodity Service for the Non-Retail Access choice.*

2. Reserved for Future use
SERVICE CLASSIFICATION NO. 5 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT’D.)

2. Reserved for Future Use
SERVICE CLASSIFICATION NO. 5 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT’D.)

2. Reserved for Future Use
SERVICE CLASSIFICATION NO. 5 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

2. Reserved For Future Use
SERVICE CLASSIFICATION NO. 5 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

2. Reserved For Future Use
SERVICE CLASSIFICATION NO. 5 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

2. Reserved For Future Use
SERVICE CLASSIFICATION NO. 5 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

2. Reserved For Future Use
SERVICE CLASSIFICATION NO. 5 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

2. Reserved For Future Use
SERVICE CLASSIFICATION NO. 5 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

2. Reserved For Future Use
SERVICE CLASSIFICATION NO. 5 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

2. Reserved For Future Use
3. NYSEG Supply Service (NSS)

This Non-Retail Access choice includes fixed charges for NYSEG delivery service, a Transition Charge (Non-Bypassable Charge ["NBC"]), a fluctuating commodity charge for electricity supplied by the Company, and a Merchant Function Charge.

kWh use shall be determined for the customer’s billing period based on the monthly kWh for each type of luminaire and lumen rating as set forth in this Service Classification.

RATE: (Per Month)

<table>
<thead>
<tr>
<th>Delivery Charges</th>
<th>Effective Date</th>
<th>07/01/16</th>
<th>05/01/17</th>
<th>05/01/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Charge</td>
<td></td>
<td>$0.02724</td>
<td>$0.02854</td>
<td>$0.02987</td>
</tr>
<tr>
<td>(All kWh, per kWh)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Commodity Service:
The charge for Electric Power Supply provided by the Company shall fluctuate each month as further described in General Information Section 25.I.C., Calculation of the Commodity Charge.

Merchant Function Charge:
All kWh, per kWh See Merchant Function Charge Statement

Bill Issuance Charge (per bill):
$0.81, as described in General Information Section 16.J. and applicable to those customers where charges for this service classification are the only charges that appear on the customer’s bill.

Rate Adjustment Mechanism (“RAM”):
All kWh, per kWh See RAM Statement, as described in Rule 38

<table>
<thead>
<tr>
<th>Lamp Style &amp; Size</th>
<th>Effective Date</th>
<th>07/01/16</th>
<th>05/01/17</th>
<th>05/01/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safeguard Luminaires (Post-2/1/88)</td>
<td></td>
<td>$6.64</td>
<td>$6.95</td>
<td>$7.28</td>
</tr>
<tr>
<td>14,500 Nominal Lumen 150 Watt H.P.S. (replacing 7,000 L. 175 Watt M.V.)</td>
<td></td>
<td>$9.74</td>
<td>$10.21</td>
<td>$10.68</td>
</tr>
<tr>
<td>43,000 Nominal Lumen 400 Watt H.P.S. (replacing 17,200 L. 400 Watt M.V.)</td>
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<td>$8.07</td>
<td>$8.46</td>
<td>$8.85</td>
</tr>
<tr>
<td>123,000 Nominal Lumen 940 Watt H.P.S. (replacing 48,000 L. 1,000 Watt M.V.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
### SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT’D.)

#### 3. NYSEG Supply Service (NSS) (Cont’d.)

<table>
<thead>
<tr>
<th>Lamp Style &amp; Size</th>
<th>Monthly Unit Rate</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lamp Charge: (Area Lights)</strong></td>
<td></td>
<td>07/01/16</td>
</tr>
<tr>
<td>3,300 Nominal Lumen (50 Watt) H.P.S.* (PACKLITE)</td>
<td>$3.61</td>
<td>$3.78</td>
</tr>
<tr>
<td>5,200 Nominal Lumen (70 Watt) H.P.S.* (PACKLITE)</td>
<td>$3.55</td>
<td>$3.72</td>
</tr>
<tr>
<td>8,500 Nominal Lumen (100 Watt) H.P.S.*</td>
<td>$3.52</td>
<td>$3.69</td>
</tr>
<tr>
<td>3,200 Nominal Lumen (100 Watt) Mercury (PACKLITE)*</td>
<td>$3.41</td>
<td>$3.57</td>
</tr>
<tr>
<td>5,200 Nominal Lumen (70 Watt) H.P.S. Power Bracket</td>
<td>$6.80</td>
<td>$7.12</td>
</tr>
<tr>
<td>8,500 Nominal Lumen (100 Watt) H.P.S. Power Bracket</td>
<td>$7.40</td>
<td>$7.75</td>
</tr>
<tr>
<td>14,400 Nominal Lumen (150 Watt) H.P.S.</td>
<td>$12.20</td>
<td>$12.79</td>
</tr>
<tr>
<td>24,700 Nominal Lumen (250 Watt) H.P.S.</td>
<td>$11.96</td>
<td>$12.54</td>
</tr>
<tr>
<td>45,000 Nominal Lumen (400 Watt) H.P.S.</td>
<td>$11.69</td>
<td>$12.25</td>
</tr>
<tr>
<td>126,000 Nominal Lumen (1,000 Watt) H.P.S.</td>
<td>$10.91</td>
<td>$11.43</td>
</tr>
<tr>
<td>10,500 Nominal Lumen (175 Watt) Metal Halide Power Bracket</td>
<td>$5.03</td>
<td>$5.27</td>
</tr>
<tr>
<td>16,000 Nominal Lumen (250 Watt) Metal Halide</td>
<td>$12.97</td>
<td>$13.59</td>
</tr>
<tr>
<td>28,000 Nominal Lumen (400 Watt) Metal Halide</td>
<td>$12.80</td>
<td>$13.42</td>
</tr>
</tbody>
</table>

| **Lamp Charge: (Flood Lights)**** | | | |
| 14,400 Nominal Lumen (150 Watt) H.P.S. | $13.01 | $13.63 | $14.27 |
| 24,700 Nominal Lumen (250 Watt) H.P.S. | $12.79 | $13.40 | $14.03 |
| 45,000 Nominal Lumen (400 Watt) H.P.S. | $12.56 | $13.16 | $13.78 |
| 126,000 Nominal Lumen (1,000 Watt) H.P.S. | $13.99 | $14.66 | $15.34 |
| 16,000 Nominal Lumen (250 Watt) Metal Halide | $12.13 | $12.71 | $13.30 |
| 28,000 Nominal Lumen (400 Watt) Metal Halide | $13.36 | $14.00 | $14.65 |
| 88,000 Nominal Lumen (1,000 Watt) Metal Halide | $13.94 | $14.60 | $15.28 |

| **Lamp Charge: (“Shoebox” Luminaire)** | | | |
| 14,400 Nominal Lumen (150 Watt) H.P.S. | $13.74 | $14.40 | $15.07 |
| 24,700 Nominal Lumen (250 Watt) H.P.S. | $16.21 | $16.99 | $17.78 |
| 45,000 Nominal Lumen (400 Watt) H.P.S. | $17.19 | $18.02 | $18.86 |
| 16,000 Nominal Lumen (250 Watt) Metal Halide | $12.99 | $13.61 | $14.24 |
| 28,000 Nominal Lumen (400 Watt) Metal Halide | $12.81 | $13.43 | $14.05 |
| 88,000 Nominal Lumen (1,000 Watt) Metal Halide | $18.45 | $19.33 | $20.23 |

| **High Pressure Sodium Cobra: (non-residential only)** | | | |
| 5,200 Nominal Lumen (70 Watt) H.P.S. | $7.43 | $7.79 | $8.15 |
| 8,500 Nominal Lumen (100 Watt) H.P.S. | $7.43 | $7.79 | $8.15 |
### SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT’D.)

#### 3. NYSEG Supply Service (NSS) (Cont’d.)

<table>
<thead>
<tr>
<th>Lamp Style &amp; Size</th>
<th>Monthly Unit Rate</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>07/01/16</td>
<td>05/01/17</td>
</tr>
<tr>
<td><strong>Lamp Charge: (Post Tops)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3,300 Nominal Lumen (50 Watt) H.P.S.*</td>
<td>$9.99</td>
<td>$10.47</td>
</tr>
<tr>
<td>5,200 Nominal Lumen (70 Watt) H.P.S.</td>
<td>$9.99</td>
<td>$10.47</td>
</tr>
<tr>
<td>8,500 Nominal Lumen (100 Watt) H.P.S.</td>
<td>$9.97</td>
<td>$10.45</td>
</tr>
<tr>
<td>Brackets - standard (up to 16')</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Brackets - 16' and over</td>
<td>$2.44</td>
<td>$2.56</td>
</tr>
<tr>
<td>Additional Wood Pole Installed for Lamp</td>
<td>$12.49</td>
<td>$13.08</td>
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<tr>
<td>Wire Service (Overhead) (Per circuit foot of extension)</td>
<td>$0.03</td>
<td>$0.04</td>
</tr>
<tr>
<td>18' Fiberglass Pole - Direct Embedded</td>
<td>$12.89</td>
<td>$13.51</td>
</tr>
<tr>
<td>20' Fiberglass Pole - Pedestal Mount</td>
<td>$44.76</td>
<td>$46.90</td>
</tr>
<tr>
<td>20' Metal Pole - Pedestal Mount</td>
<td>$44.76</td>
<td>$46.90</td>
</tr>
<tr>
<td>30' Metal Pole - Pedestal Mount</td>
<td>$44.76</td>
<td>$46.90</td>
</tr>
<tr>
<td>30' Fiberglass Pole - Pedestal Mount</td>
<td>$44.76</td>
<td>$46.90</td>
</tr>
<tr>
<td>30' Fiberglass Pole - Direct Embedded</td>
<td>$19.60</td>
<td>$20.54</td>
</tr>
<tr>
<td>Screw Base for Pedestal Mounted Pole - Light Duty</td>
<td>$13.63</td>
<td>$14.28</td>
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<tr>
<td>Screw Base for Pedestal Mounted Pole - Heavy Duty</td>
<td>$17.39</td>
<td>$18.22</td>
</tr>
</tbody>
</table>

H.P.S. - High Pressure Sodium
PACKLITE/Power Bracket - for pole mount only.

*Luminaires are no longer available for new installations. Upon failure and fulfillment of contract, lights will not be replaced in kind. Customer may select an alternative luminaire.

Note: The rating of lamps in lumens is for identification purposes only and shall approximate the manufacturer's standard rating.
SERVICE CLASSIFICATION NO. 5 (Continued)

MERCHANT FUNCTION CHARGE:

The Merchant Function Charge reflects the administrative costs of obtaining electricity supply. Customers whose electricity is supplied by an ESCO are not charged for this service.

Issued in compliance with order in Case No. 05-E-1222 dated 08/23/06.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 5 (Continued)

RATE: (Per Month) (Cont’d)

<table>
<thead>
<tr>
<th>Lumen Rating</th>
<th>Mercury Vapor</th>
<th>Metal Halide</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3200</td>
<td>7000</td>
</tr>
<tr>
<td>Month</td>
<td>Hours</td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>442</td>
<td>33</td>
</tr>
<tr>
<td>February*</td>
<td>370</td>
<td>47</td>
</tr>
<tr>
<td>March</td>
<td>367</td>
<td>47</td>
</tr>
<tr>
<td>April</td>
<td>309</td>
<td>39</td>
</tr>
<tr>
<td>May</td>
<td>285</td>
<td>36</td>
</tr>
<tr>
<td>June</td>
<td>258</td>
<td>33</td>
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<tr>
<td>July</td>
<td>271</td>
<td>34</td>
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<tr>
<td>August</td>
<td>306</td>
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<td>September</td>
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<td>October</td>
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<tr>
<td>November</td>
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<td>53</td>
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<tr>
<td>December</td>
<td>447</td>
<td>57</td>
</tr>
<tr>
<td>Leap Year</td>
<td>February</td>
<td>382</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lumen Rating</th>
<th>High Pressure Sodium</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3300</td>
</tr>
<tr>
<td>Month</td>
<td>Hours</td>
</tr>
<tr>
<td>January</td>
<td>442</td>
</tr>
<tr>
<td>February*</td>
<td>370</td>
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<tr>
<td>March</td>
<td>367</td>
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<td>April</td>
<td>309</td>
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<td>May</td>
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<td>June</td>
<td>258</td>
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<tr>
<td>July</td>
<td>271</td>
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<tr>
<td>August</td>
<td>306</td>
</tr>
<tr>
<td>September</td>
<td>340</td>
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<tr>
<td>October</td>
<td>395</td>
</tr>
<tr>
<td>November</td>
<td>420</td>
</tr>
<tr>
<td>December</td>
<td>447</td>
</tr>
<tr>
<td>Leap Year</td>
<td>February</td>
</tr>
</tbody>
</table>

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 5 (Continued)

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 Rule 4). See SBC 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 Rule 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 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 P.S.C. No. 120 to reflect the tax rates applicable within the municipality where the customer takes service.

MINIMUM CHARGES:
Minimum monthly charge shall be the Monthly Luminaire Charge computed under the above rate plus the Bill Issuance Charge, if applicable.

In the event service is terminated at the customer's request, prior to completion of the initial term for that customer as specified below, the customer shall be obligated to pay the minimum monthly charge for each of the remaining months of the unexpired initial term plus any balance due on service rendered to the time of termination.

ALLOWANCE FOR LAMP OUTAGES:
If a lamp is out for more than three business days (Monday through Friday) after a notice of such outage has been given the Company by the customer, a pro rata adjustment of the lamp charge shall be allowed.

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 1 1/2% 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:
(a) Luminaire-only-service supplied overhead, shall be 24 months and thereafter until terminated by five-days' notice, for an initial applicant and customer for such luminaire.

(b) All other luminaire service with additional facilities (other than just bracket) shall be 60 months and thereafter until terminated by five-days' notice, for an initial applicant and customer for such luminaire service with additional facilities.

(c) For a subsequent applicant and customer, where luminaire, and additional facilities if applicable, have been previously installed, one month, and thereafter until terminated by five days' notice.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
SPECIAL PROVISIONS:
A complete description of these Supply Service Options appears previously in this Service Classification. All customers shall be required to pay the Transition Charge (Non-Bypassable Charge ["NBC"]) and Commodity, Merchant Function and Bill Issuance Charges if applicable, System Benefits Charge, Reliability Support Services (RSS), and Revenue Adjustment Mechanism (RAM), in accordance with the standard ESS or NSS rates for this Service Classification.

(a) (Area Lights-Mercury Vapor) Service under this provision shall no longer be available for new installations subsequent to February 1, 1988. Upon failure of the luminaire, luminaires shall not be replaced in kind. Customer may select an alternative luminaire.

(i) ESCO Supply Service (ESS)

<table>
<thead>
<tr>
<th>Delivery Charges</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>07/01/16</td>
</tr>
<tr>
<td>Energy Charge</td>
<td>$0.02724</td>
</tr>
<tr>
<td>(All kWh, per kWh)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mercury Vapor (M.V.) Safeguard Luminaires (special provision for installations prior to 2/1/88)</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,000 Lumen</td>
<td>$10.49</td>
</tr>
<tr>
<td>17,200 Lumen</td>
<td>$13.55</td>
</tr>
<tr>
<td>48,000 Lumen</td>
<td>$14.57</td>
</tr>
<tr>
<td>Additional Facilities:</td>
<td></td>
</tr>
<tr>
<td>Additional Wood Pole</td>
<td>$4.73</td>
</tr>
<tr>
<td>Wire Service (per Circuit foot)</td>
<td>$0.01</td>
</tr>
</tbody>
</table>

(ii) Reserved for Future use
SERVICE CLASSIFICATION NO. 5 (Continued)

Reserved for Future Use

Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
(iii) NYSEG Supply Service (NSS)

<table>
<thead>
<tr>
<th>Delivery Charges</th>
<th>Effective Date</th>
</tr>
</thead>
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<td>07/01/16</td>
</tr>
<tr>
<td>Energy Charge</td>
<td>$0.02724</td>
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<table>
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<tr>
<th>Mercury Vapor (M.V.) Safeguard Luminaires (special provision for installations prior to 2/1/88)</th>
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<tr>
<td>Additional Facilities:</td>
<td>$4.73</td>
</tr>
<tr>
<td>Additional Wood Pole</td>
<td>$0.01</td>
</tr>
<tr>
<td>Wire Service (per Circuit foot)</td>
<td></td>
</tr>
</tbody>
</table>

(b) Lamp replacement and repairs shall be made only during regular working hours, Monday through Friday.

(c) Any customer-owned pole on which a lamp is to be mounted or to which wire is to be attached must be approved by the Company. If a customer-owned pole on which such equipment is mounted deteriorates, is damaged, or has its use impaired so that it no longer is approved by the Corporation, service may be terminated.
SPECIAL PROVISIONS: (Cont'd)

(d) The Corporation shall not be required to relocate any of its existing facilities to provide service under this Service Classification nor shall it be required to replace existing operational fixtures unless the cost of such relocation or replacement is paid by the customer.

(e) The Corporation will furnish and install such lighting fixtures provided:

1. The customer shall have first assured the Corporation that the service will be on a continuous and reasonably permanent basis, and
2. The customer has signed a contract agreeing to the provisions of this service classification, and
3. Where applicable, the customer has provided Corporation-approved facilities in accordance with Special Provision (k) below.

(f) The customer shall furnish the Corporation with all easements or rights-of-way necessary to provide service to the desired location before any installation or construction will be started.

(g) A customer may apply for service hereunder for a proposed residential subdivision or commercial or industrial development in which all electric facilities will be underground. Such application, as shown within Section 2.I. of General Information Schedule P.S.C. No. 119 - Electricity, shall be signed by the customer and the builder or developer and when accepted by the Corporation, shall constitute an agreement between the Corporation, customer and builder or developer subject to the terms and provisions hereunder.

The builder or developer shall pay to the Corporation prior to the commencement of any construction all costs, if any, which the Corporation may incur associated with the installation of the underground lighting facilities required to render service hereunder, and shall prepay six times the total monthly charge for all luminaires, brackets, bases, wiring and poles installed. Said monthly charges shall be determined using rates in effect at the time said costs and charges are determined. The Corporation shall not bill the customer for the first six months of service of the facilities installed under this Special Provision.
SPECIAL PROVISIONS: (Cont'd)

(h) Upon prior notice to the Company (as specified in "TERM" above), the customer may require that the lighting of any luminaire or luminaires be discontinued. The Company shall have the right to remove all Company-owned facilities serving such luminaires. For each luminaire and its pertinent facility removed prior to the end of the initial term of service, the customer shall pay the charge as specified in "MINIMUM CHARGES" above.

(i) Upon termination of service hereunder, the Company shall have the right within a reasonable time thereafter to remove all facilities placed, installed or used by it pursuant to the service hereunder.

(j) As a condition of receiving service hereunder, the customer shall authorize the Company insofar as it lawfully may, to trim, cut and remove any and all trees and other obstructions, which in the opinion of the Company, interfere with, or may tend to interfere with, the construction, operation and maintenance of the Company’s facilities for rendering service hereunder. At times other than original installation, tree trimming necessary for light distribution shall be the responsibility of the customer and shall be done by the customer or at the customer's expense.

(k) Contributory Provisions for New Residential and New Commercial or Industrial Developments: Customers desiring lighting service under this service classification may opt to pay the capital costs of the entire lighting system devoted to rendering this service. (See Determination of Capital Costs.*) Under this provision, the ownership and the responsibility for operation and maintenance of the luminaire, pole, bracket and screw-in base rests with the Company. In the case of customer-provided facilities, the Company reserves the right to reject all or any part of such lighting facilities that do not meet general Company specifications, or are not compatible with the type and nature of Company facilities. The Company reserves the right to refuse ownership of systems subject to extraordinary maintenance requirements or unusually high incidents of physical damage.

The rates specified in this provision do not provide for replacement due to expiration of the service life of installed fixtures, standards or other equipment.

All customers will be required to pay the Transition Charge, and Commodity and Merchant Function Charges, if applicable, in accordance with the standard ESS or NSS rates for this Service Classification.

Under the terms of this provision, the customer pays a monthly operation and maintenance fee according to the schedule as follows:
(k) Contributory Provisions for New Residential and New Commercial or Industrial Developments: (Cont’d)

(i) ESCO Supply Service (ESS)

<table>
<thead>
<tr>
<th>Delivery Charges</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>07/01/16</td>
</tr>
<tr>
<td>Energy Charge (All kWh, per kWh)</td>
<td>$0.02724</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Monthly Operation and Maintenance Charges</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>07/01/16</td>
</tr>
<tr>
<td>Mercury Vapor:</td>
<td></td>
</tr>
<tr>
<td>3,200 (100 Watt)*</td>
<td>$1.90</td>
</tr>
<tr>
<td>High Pressure Sodium:</td>
<td></td>
</tr>
<tr>
<td>3,300 (50 Watt)</td>
<td>$2.55</td>
</tr>
<tr>
<td>5,200 (70 Watt)</td>
<td>$2.43</td>
</tr>
<tr>
<td>8,500 (100 Watt)</td>
<td>$2.33</td>
</tr>
<tr>
<td>14,400 (150 Watt)</td>
<td>$2.14</td>
</tr>
<tr>
<td>24,700 (250 Watt)</td>
<td>$1.60</td>
</tr>
<tr>
<td>45,000 (400 Watt)</td>
<td>$0.99</td>
</tr>
<tr>
<td>126,000 (1,000 Watt)</td>
<td>$0.20</td>
</tr>
<tr>
<td>Metal Halide:</td>
<td></td>
</tr>
<tr>
<td>5,800 (100 Watt)</td>
<td>$1.88</td>
</tr>
<tr>
<td>12,000 (175 Watt)</td>
<td>$1.88</td>
</tr>
<tr>
<td>16,000 (250 Watt)</td>
<td>$1.88</td>
</tr>
<tr>
<td>28,000 (400 Watt)</td>
<td>$1.39</td>
</tr>
<tr>
<td>88,000 (1,000 Watt)**</td>
<td>$0.38</td>
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</table>
SERVICE CLASSIFICATION NO. 5 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(ii) Reserved for Future Use
SERVICE CLASSIFICATION NO. 5 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(ii) Reserved for Future Use
SPECIAL PROVISIONS: (Cont'd)

(k) Contributory Provisions for New Residential and New Commercial or Industrial Developments: (Cont’d)

(iii) NYSEG Supply Service (NSS)

<table>
<thead>
<tr>
<th>Delivery Charges</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Charge (All kWh, per kWh)</td>
<td>$0.02724</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Monthly Operation and Maintenance Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mercury Vapor:</td>
</tr>
<tr>
<td>3,200 (100 Watt)*</td>
</tr>
<tr>
<td>High Pressure Sodium:</td>
</tr>
<tr>
<td>3,300 (50 Watt)</td>
</tr>
<tr>
<td>5,200 (70 Watt)</td>
</tr>
<tr>
<td>8,500 (100 Watt)</td>
</tr>
<tr>
<td>14,400 (150 Watt)</td>
</tr>
<tr>
<td>24,700 (250 Watt)</td>
</tr>
<tr>
<td>45,000 (400 Watt)</td>
</tr>
<tr>
<td>126,000 (1,000 Watt)</td>
</tr>
<tr>
<td>Metal Halide:</td>
</tr>
<tr>
<td>5,800 (100 Watt)</td>
</tr>
<tr>
<td>12,000 (175 Watt)</td>
</tr>
<tr>
<td>16,000 (250 Watt)</td>
</tr>
<tr>
<td>28,000 (400 Watt)</td>
</tr>
<tr>
<td>88,000 (1,000 Watt)**</td>
</tr>
</tbody>
</table>

Determination of Capital Costs:
In the case of newly constructed facilities, capital cost shall include all labor, transportation, material and applicable overheads as defined in the charges for special services contained in Schedule P.S.C. No. 119 - Electricity, or superseding issues thereof, and utilized in recording the cost of such facilities on the books and records of the Corporation.

* No longer available for new installations or replacements.

** Available only in Commercial and Industrial Floodlighting applications with base-down orientation of the bulb.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SPECIAL PROVISIONS: (Cont'd)

(l) Vandalism:

If in the sole opinion of the Company, Company-owned facilities providing outdoor lighting service similar to Public Street Lighting Service but along private lanes, streets, roads or other such commonly used by-ways become subject to excessive vandalism, the customer shall be required to reimburse the Company for all maintenance costs incurred as a result of such vandalism.

(m) Budget Billing:

Customers may, by signing an application, be billed monthly in accordance with the plan set forth in Section 4-P of P.S.C. No. 119 - Electricity or superseding issues thereof.

(n) Customers that request a glare shield to be installed on an outdoor light on the customer’s premises, shall be charged based on the cost of the installation. The fee shall be equal to the charge shown in the Special Services Statement.
SERVICE CLASSIFICATION NO. 6

APPLICABLE TO THE USE OF SERVICE FOR:

General Service - Non-Residential Service. (For estimated metered demand of 5 kW or less and use of 2,000 kWh or less per month for any two consecutive months.)

CHARACTER OF SERVICE:

Continuous - Alternating Current, 60 Cycle; 120, 120/208, 120/240, 208, 240, 240/416, 277/480 or 480 Volts - Single or Three Phase. (Also Two Phase in Walden District.) (Characteristics depend upon available circuits and equipment.)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS:

Pursuant to General Information Section 25, Supply Service Options, customers served under this Service Classification shall choose from different electric rate choices offered by the Company 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 Access choice is the NYSEG Supply Service (NSS).

The Company shall provide Delivery Service regardless of the customer’s supply service option.

1. ESCO Supply Service (ESS)

This Retail Access choice includes fixed charges for NYSEG delivery service and a Transition Charge (Non-Bypassable Charge [“NBC”]). Supply service shall be provided by an Energy Services Company (ESCO). Customers that elect ESS and receive a Consolidated Bill shall not be subject to the Bill Issuance Charge.

RATE: (Per Meter, Per Month)

Delivery Service:

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>07/01/16</th>
<th>05/01/17</th>
<th>05/01/18</th>
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<tbody>
<tr>
<td>Customer Charge</td>
<td>$17.60</td>
<td>$17.60</td>
<td>$17.60</td>
</tr>
<tr>
<td>Energy Charge</td>
<td>$0.03865</td>
<td>$0.04298</td>
<td>$0.04746</td>
</tr>
<tr>
<td>(All kWh, per kWh)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Transition Charge (Non-Bypassable Charge [“NBC”]):

All kWh, per kWh See Transition Charge Statement

Bill Issuance Charge (per bill): $0.81, as described in General Information Section 16.J.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 6 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

Reserved for Future Use

Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 6 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

Reserved for Future Use

Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 6 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

*NYSEG will provide Delivery and Commodity Service for the Non-Retail Access choice.*

2. Reserved for Future use
SERVICE CLASSIFICATION NO. 6 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (Cont'd.)

Reserved for Future Use.

Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 6 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

3. NYSEG Supply Service (NSS)

This Non-Retail Access choice includes fixed charges for NYSEG delivery service, a Transition Charge (Non-Bypassable Charge ["NBC"]), a fluctuating commodity charge for electricity supplied by the Company, and a Merchant Function Charge.

RATE: (Per Meter, Per Month)

<table>
<thead>
<tr>
<th></th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>07/01/16</td>
</tr>
<tr>
<td></td>
<td>05/01/17</td>
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<tr>
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<tr>
<td>Customer Charge</td>
<td>$17.60</td>
</tr>
<tr>
<td>Energy Charge</td>
<td>$0.03865</td>
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<tr>
<td>(All kWh, per kWh)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$17.60</td>
</tr>
<tr>
<td></td>
<td>$0.04298</td>
</tr>
<tr>
<td></td>
<td>$17.60</td>
</tr>
<tr>
<td></td>
<td>$0.04746</td>
</tr>
</tbody>
</table>

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

Commodity Service:  
The charge for Electric Power Supply provided by the Company shall fluctuate each month as further described in General Information Section 25.I.C., Calculation of the Commodity Charge.

Merchant Function Charge:  
All kWh, per kWh  
See Merchant Function Charge Statement

Bill Issuance Charge (per bill):  
$0.81, as described in General Information Section 16.J.

Rate Adjustment Mechanism ("RAM"):  
All kWh, per kWh  
See RAM Statement, as described in Rule 38
SERVICE CLASSIFICATION NO. 6 (Continued)

MERCHANT FUNCTION CHARGE:
The Merchant Function Charge reflects the administrative costs of obtaining electricity supply, as further explained in General Information Rule 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 Rule 4). See SBC 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 Rule 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 Rule 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 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 P.S.C. No. 120 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 indicted 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. 120 - Electricity or superseding issues thereof.)

TERM:
Single Phase Service: 
One month and thereafter until terminated by 48 hours' notice.

Three Phase (or Two Phase) Service:
One year and thereafter until terminated by 48 hours' notice.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
SERVICE CLASSIFICATION NO. 6 (Continued)

SPECIAL PROVISIONS: (Cont’d.)

(a) Energy Smart Community (“ESC”) Rate Option Pilot
   A qualifying customer located within the certain portions of Tompkins County may enroll in the ESC Rate Option Pilot as set forth in Rule 41.
SERVICE CLASSIFICATION NO. 6 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(b) Fluctuating Loads:

When service is rendered solely for equipment having a fluctuating or large instantaneous demand, such as X-Rays, welders, etc., and a separate or larger transformer for such service is required, the minimum monthly charge shall be not less than $.50 per KVA of such additional transformer capacity.

(c) Budget Billing:

Customers may, by signing an application, be billed monthly in accordance with the plan set forth in Section 4-P of P.S.C. No. 119 - Electricity or superseding issues thereof.

(d) Submetering:

Submetering may be available according to certain conditions as explained in the general information leaves of this schedule, Section 2, Submetering.

(e) Reserved for Future Use

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
SERVICE CLASSIFICATION NO. 6 (Continued)

SPECIAL PROVISIONS: (Cont’d.)

(f) RESERVED FOR FUTURE USE

Issued in compliance with order in Case No. 05-E-1222 dated 08/23/06.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 6 (Continued)

SPECIAL PROVISIONS: (Cont’d.)

(f) RESERVED FOR FUTURE USE

Issued in compliance with order in Case No. 05-E-1222 dated 08/23/06.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 6 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(g) Economic Incentives:
   (1) Reserved for Future Use
   (2) Economic Development Zone Incentive ("EDZI")

   Customers served under this service classification may qualify for the EDZI Special Provision. See General Information Section 9 of this Schedule for a complete description of the EDZI.

(h) 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 22 of this Schedule and taking service under S.C. No. 6.

(i) Wind Electric Service Option:

   This option is for a customer qualifying for the Wind Electric Service Option pursuant to General Information Section 23 of this Schedule and taking service under S.C. No. 6.

(j) Solar Non-Residential Electric Service Option:

   This option is for a customer qualifying for the Solar Non-Residential Generating Service Option pursuant to General Information Section 27 of this Schedule and taking service under S.C. No. 6.

(k) Electric Hybrid Generating System Option:

   This option is for a customer qualifying for the Electric Hybrid Generating System Option pursuant to General Information Section 24 of this Schedule and taking service under S.C. No. 6.

(l) Fuel Cell Electric Service Option:

   This option is for a customer qualifying for the Fuel Cell Service Option pursuant to General Information Section 30 of this Schedule and taking service under S.C. No. 6.

(m) Micro-Hydroelectric Service Option:

   This option is for a customer qualifying for the Micro-Hydroelectric Service Option pursuant to General Information Section 31 of this Schedule and taking service under S.C. No. 6.

(n) Excelsior Jobs Program ("EJP"):

   Service taken under this Service Classification may be eligible for the rates and charges under the Excelsior Jobs Program.

   For a customer qualifying for the EJP program, such customer shall be subject to the otherwise applicable standard service classification rates, including the Transition Charge (Non-Bypassable Charge ["NBC"]), Commodity, Merchant Function, and Bill Issuance Charges, if applicable, in accordance with the standard NSS or ESS rates for this Service Classification. All customers are also required to pay the System Benefits Charges, Reliability Support Services (RSS), and Revenue Adjustment Mechanism (RAM), and in accordance with the standard NSS or ESS rates for this Service Classification. Qualifying load shall be exempt from the Revenue Decoupling Mechanism (RDM).

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
SERVICE CLASSIFICATION NO. 7

APPLICABLE TO THE USE OF SERVICE FOR:
Large General Service (Primary and Secondary) with Time-of-Use Metering for any customer with a billing demand equal to or greater than 500 KW during any two of the previous twelve months and for continuing service thereafter.

Also optional for:
This option is not available to Service Classification No. 2 customers, effective December 3, 2002.

Customers who qualify under the Economic Development Incentive or the Economic Development "Zone" Incentive Provision of the General Information Section of this Schedule;

Customers who qualify under the Controlled Load Service Option of Service Classification No. 3;

Customers who qualify under the Agricultural Customers Time-of-Use Service Option of Service Classification No. 2.

Note: Other than as set forth above, this service classification is not available to customers otherwise eligible for Residential Service, unless the size and/or nature of the customer's load or its impact on our system requires three phase service.

CHARACTER OF SERVICE:
Continuous - Alternating Current, 60 Cycle;
Secondary Service at 120, 120/208, 120/240, 208, 240, 240/416,
277/480, or 480 Volts; or
Primary (Distribution) Service at 2,400, 4,160, 4,800, 7,200, 8,320, 12,000,
12,470, 13,200, 34,500 or 46,000 Volts; or
Subtransmission Service* at 34,500 or 46,000 (Both Non-Regulated) Volts; and 34,500 (Regulated) Volts for "Grandfathered Customers" only*; or
Transmission Service at 115,000 Volts and above.
Single or Three Phase. (Characteristics depend upon available circuits and equipment.)

* Effective September 26, 2010, Subtransmission Service will no longer be available to new service locations. However, grandfathering at the subtransmission rates contained herein will apply to the service location of the current subtransmission class customer, including the site as well as the existing buildings where the customer was taking Subtransmission Service before September 26, 2010. Grandfathering is applicable to any new owner acquiring possession of a grandfathered service location, as long as that customer meets the qualification criteria for grandfathered Subtransmission Service above. The grandfathering may apply to facility replacements and or expansions by customers taking grandfathered Subtransmission Service, if accomplished through existing subtransmission metering points at the service location.

RATE PERIODS:
On-peak hours are defined as the hours between 7:00 A.M. and 10:00 P.M. (Local Time), Monday through Friday with the exception of the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Those hours not designated as on-peak are defined as off-peak.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS:

Pursuant to General Information Section 25, Supply Service Options, customers served under this Service Classification shall choose from different electric rate choices offered by the Company as described below. The Company shall offer a Retail Access rate choice and Non-Retail Access rate choices as described below.

The Company shall provide Delivery Service regardless of the customer’s Supply Service Option.

1. ESCO Supply Service (ESS)

This Retail Access choice includes fixed charges for NYSEG delivery service and a Transition Charge (Non-Bypassable Charge ["NBC"]). Supply Service shall be provided by an Energy Services Company (ESCO). Customers that elect ESS and receive a Consolidated Bill shall not be subject to the Bill Issuance Charge.

Rate: (Per Meter, Per Month)

<table>
<thead>
<tr>
<th>Delivery Service</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Charge</td>
<td>$123.18</td>
</tr>
<tr>
<td>$123.18</td>
<td>$130.24</td>
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<tr>
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<tr>
<td>Meter Service Charge</td>
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<tr>
<td>$15.90</td>
<td>$15.90</td>
</tr>
<tr>
<td>$15.90</td>
<td>$15.90</td>
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<tr>
<td>Meter Data Service Charge</td>
<td>$5.98</td>
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<tr>
<td>(Meter Reading)</td>
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<td>$5.98</td>
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<td>$5.98</td>
<td>$5.98</td>
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<tr>
<td>Demand Charge</td>
<td>$8.17</td>
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<tr>
<td>(On-Peak Service)</td>
<td>$8.14</td>
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<tr>
<td>$8.54</td>
<td>$8.94</td>
</tr>
<tr>
<td>Reactive Charge</td>
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<tr>
<td>Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
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<td>$0.00078</td>
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<td>$0.00078</td>
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<tr>
<td>$0.00078</td>
<td>$0.00078</td>
</tr>
</tbody>
</table>

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

Bill Issuance Charge (per bill): $0.81, as described in General Information Section 16.J

Rate Adjustment Mechanism (“RAM”):
All kW, per kW See RAM Statement, as described in Rule 38
SERVICE CLASSIFICATION NO. 7 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS (CONT'D.):

1. ESCO Supply Service (ESS) (cont’d)

   Rate: (Per Meter, Per Month)

   Delivery Service:

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<tr>
<th>Voltage Primary S.C. 7-2 Distribution</th>
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<tr>
<td>Meter Ownership Charge</td>
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<td>Meter Service Charge</td>
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<td>Meter Data Service Charge (Meter Reading)</td>
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<td>Demand Charge</td>
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<tr>
<td>Reactive Charge</td>
<td>$0.00078</td>
</tr>
</tbody>
</table>

   Transition Charge (Non-Bypassable Charge ("NBC")):
   All kWh, per kWh
   See Transition Charge Statement

   Bill Issuance Charge (per bill):
   $0.81, as described in General Information Section 16.J

   Rate Adjustment Mechanism ("RAM"):
   All kW, per kW
   See RAM Statement, as described in Rule 38

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 7 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

1. ESCO Supply Service (ESS) (cont’d)

Rate: (Per Meter, Per Month)

<table>
<thead>
<tr>
<th>Delivery Service</th>
<th>Effective Date</th>
<th>07/01/16</th>
<th>09/01/16</th>
<th>05/01/17</th>
<th>05/01/18</th>
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<tbody>
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<td>VOLTAGE PRIMARY S.C. 7-3 SUBTRANSMISSION</td>
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<tr>
<td>Customer Charge</td>
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<td>$995.06</td>
<td>$995.06</td>
<td>$1,048.59</td>
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<tr>
<td>Meter Ownership Charge</td>
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<tr>
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<td>Meter Data Service Charge (Meter Reading)</td>
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<tr>
<td>Demand Charge</td>
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</tr>
<tr>
<td>On-Peak Service</td>
<td>$2.07</td>
<td>$1.95</td>
<td>$2.04</td>
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<tr>
<td>Reactive Charge</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
<td>$0.00078</td>
<td>$0.00078</td>
<td>$0.00078</td>
<td>$0.00078</td>
<td></td>
</tr>
</tbody>
</table>

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

Bill Issuance Charge (per bill):
$0.81, as described in General Information Section 16.J

Rate Adjustment Mechanism (“RAM”):
All kW, per kW
See RAM Statement, as described in Rule 38

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
**SERVICE CLASSIFICATION NO. 7 (Continued)**

**SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT’D.)**

1. **ESCO Supply Service (ESS) (cont’d)**

   Rate: (Per Meter, Per Month)

   Delivery Service:

<table>
<thead>
<tr>
<th>VOLTAGE PRIMARY</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.C. 7-4</td>
<td>7/01/16</td>
</tr>
<tr>
<td>TRANSMISSION</td>
<td>09/01/16</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>$2164.81</td>
</tr>
<tr>
<td></td>
<td>$2164.81</td>
</tr>
<tr>
<td></td>
<td>$2288.06</td>
</tr>
<tr>
<td></td>
<td>$2413.80</td>
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<tr>
<td>Meter Ownership Charge</td>
<td>$18.32</td>
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<tr>
<td></td>
<td>$18.32</td>
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<td></td>
<td>$18.32</td>
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<td></td>
<td>$18.32</td>
</tr>
<tr>
<td>Meter Service Charge</td>
<td>$154.73</td>
</tr>
<tr>
<td></td>
<td>$154.73</td>
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<td></td>
<td>$154.73</td>
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<tr>
<td></td>
<td>$154.73</td>
</tr>
<tr>
<td>Meter Data Service Charge (Meter Reading)</td>
<td>$54.78</td>
</tr>
<tr>
<td></td>
<td>$54.78</td>
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<tr>
<td></td>
<td>$54.78</td>
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<tr>
<td></td>
<td>$54.78</td>
</tr>
<tr>
<td>Demand Charge</td>
<td></td>
</tr>
<tr>
<td>On-Peak Service</td>
<td>$0.80</td>
</tr>
<tr>
<td></td>
<td>$0.76</td>
</tr>
<tr>
<td></td>
<td>$0.79</td>
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<tr>
<td></td>
<td>$0.83</td>
</tr>
<tr>
<td>Reactive Charge</td>
<td></td>
</tr>
<tr>
<td>Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
<td>$0.00078</td>
</tr>
<tr>
<td></td>
<td>$0.00078</td>
</tr>
<tr>
<td></td>
<td>$0.00078</td>
</tr>
<tr>
<td></td>
<td>$0.00078</td>
</tr>
</tbody>
</table>

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

   **Bill Issuance Charge (per bill):**
   $0.81, as described in General Information Section 16.J

   **Rate Adjustment Mechanism (“RAM”):**
   All kW, per kW
   See RAM Statement, as described in Rule 38

**ISSUED BY:** James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 7 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

2. Reserved for Future Use
3. NYSEG Supply Service (NSS)

This Non-Retail Access choice includes the same fixed charges for NYSEG Delivery Service as the ESCO Supply Service (ESS), a Transition Charge (Non-Bypassable Charge ["NBC"]), a commodity charge for electricity supplied by NYSEG which fluctuates with the market price of electricity, and a Merchant Function Charge.

RATE: (Per Meter, Per Month)

Transition Charge (Non-Bypassable Charge ["NBC")
All kWh, per kWh
See Transition Charge Statement

Commodity Service:
The charge for Electric Power Supply provided by NYSEG shall fluctuate each month as further described in General Information Section 25.I.C., Calculation of the Commodity Charge.

Merchant Function Charge
All kWh, per kWh
See Merchant Function Charge Statement

Bill Issuance Charge (per bill):
$0.81, as described in General Information Section 16.J.

Rate Adjustment Mechanism ("RAM"):
All kW, per kW
See RAM Statement, as described in Rule 38
SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT’D.)

4. Hourly Pricing – Mandatory and Voluntary

**Mandatory**

Customers with billed demand greater than or equal to 300 kW in any two months within the 12 months.

A customer taking service under Hourly Pricing shall remain subject to this provision until their monthly metered demand has been less than 300 kW for 12 consecutive months.

Customers that received an Economic Incentive or NYPA allocation on or before December 31, 2006, are exempt from mandatory Hourly Pricing as set forth under Voluntary Hourly Pricing.

<table>
<thead>
<tr>
<th>Economic Development Program</th>
<th>SUPPLY SERVICE OPTIONS for customers having a billed demand as set forth above and began receiving the Economic Incentive <strong>on or after</strong> January 1, 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Electricity Supply Pricing Options for the load not receiving the incentive</td>
</tr>
<tr>
<td>Economic Development Zone Incentive *</td>
<td>ESS or Hourly Pricing</td>
</tr>
<tr>
<td>Incremental Load Incentive *</td>
<td>ESS or Hourly Pricing</td>
</tr>
</tbody>
</table>

* The customer must choose the same Supply Service Option for its incentive, non-incentive load and any future load.

**Voluntary:**

Hourly Pricing is voluntary for any customer taking service under Service Classification No. 7 who does not meet the requirements for Mandatory Hourly Pricing set forth above. Once a customer voluntarily elects Hourly Pricing, they shall remain subject to this provision until their monthly metered demand has been less than 300 kW for 12 consecutive months.

Hourly Pricing is also voluntary to a customer with load supplied by NYPA beginning on or prior to December 31, 2006, and would have otherwise qualified for Mandatory Hourly Pricing. These customers shall have the following Supply Service Options, all described herein, for the non-NYPA load, NSS, ESS, or Hourly Pricing, until the end of their participation in the NYPA program at which time they shall be subject to Mandatory Hourly Pricing and have the two supply options ESS or Hourly Pricing, as described below.
SERVICE CLASSIFICATION NO. 7 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT'D.)

4. Hourly Pricing – Mandatory and Voluntary  (Cont'd.)

  Voluntary:  (Cont’d.)

Additionally, Hourly Pricing is voluntary to a customer that is participating in any of the Company’s Economic Incentives that received the Economic Incentive beginning on or prior to December 31, 2006, and would have otherwise qualified for Mandatory Hourly Pricing until the term of the customer’s Economic Incentive expires. The customer must choose the same Supply Service Option for its incentive, non-incentive load and any future load. Upon the conclusion of their participation in the Economic Incentive, the customer will be subject to Mandatory Hourly Pricing and have two supply options, ESS or Hourly Pricing option, as described below.
SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT’D.)

4. Hourly Pricing – Mandatory and Voluntary  (Cont'd.)

DELIVERY CHARGES:

The delivery charges set forth in this Service Classification for standard service shall apply to a customer taking service under Hourly Pricing. A customer that qualifies for the Economic Development Zone Incentive shall pay the delivery charges set forth in the Special Provision (d)(3) Economic Development Zone Incentive. A customer that qualifies for the Industrial/High Load Factor Special Provision shall pay the delivery charges as set forth in the Special Provision (h).

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS:

Customers served under this provision must select from the different electricity Supply Service Options offered by the Company as described below. NYSEG shall offer a Retail Access rate choice and a Non-Retail Access rate choice.

The Retail Access choice (see 1 below) is the ESCO Supply Service (ESS). The Non-Retail Access choice (see 2 below) is the NYSEG Hourly Day-Ahead Market Pricing Option (“Hourly Pricing”).

NYSEG shall provide only delivery service for the Retail Access choice. Electricity supply is provided by an Energy Services Company (“ESCO”). Hourly Pricing customers are able to select ESCO commodity service at any time.

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

A customer who has not chosen an option, and for whom NYSEG has not received a retail access enrollment from an ESCO, shall default to the NYSEG Hourly Day-Ahead Market Pricing Option.

1. ESCO Supply Service (ESS)

This Retail Access choice includes fixed charges for NYSEG delivery service and a Transition Charge set forth on the Transition Charge Statement. Electricity supply is provided by an ESCO. Customers that elect ESS and receive a Consolidated Bill shall not be subject to the Bill Issuance Charge.

2. NYSEG Hourly Day-Ahead Market Pricing Option (“Hourly Pricing”)

This Non-Retail Access choice includes fixed charges for NYSEG delivery service, a Transition Charge set forth on the Transition Charge Statement, a Merchant Function Charge, and a commodity charge for electricity supply that fluctuates hourly with the market price of electricity including losses, unaccounted for energy, capacity, and capacity reserves, as further described herein. Electricity supply is provided by NYSEG.
SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT’D.)

4. Hourly Pricing – Mandatory and Voluntary (Cont’d.)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (Cont’d.)

2. NYSEG Hourly Day-Ahead Market Pricing Option (“Hourly Pricing”) (Cont’d.)

Reserved for Future Use
4. Hourly Pricing – Mandatory and Voluntary (Cont’d.)

   SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (Cont’d.)

2. NYSEG Hourly Day-Ahead Market Pricing Option (“Hourly Pricing”) (Cont’d.)

Reserved for Future Use
SERVICE CLASSIFICATION NO. 7 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (CONT’D.)

4. Hourly Pricing – Mandatory and Voluntary (Cont’d.)

METERING AND COMMUNICATION REQUIREMENTS:

1. Customer Responsibilities:
   All customers subject to this special provision are required to have interval metering and remote meter reading capability. Such customers shall be responsible for the following:
   a. the costs of providing remote meter reading capability through dedicated telecommunications to and from the meter; and
   b. the dedicated telecommunications shall be approved by the Company, and
   c. all costs associated with the installation, operation and maintenance of the telecommunications equipment, including but not limited to, all telecommunications service bills. If the Company is unable to read the meter through a customer provided connection, and the Company has determined that the problem is not caused by the Company's equipment, the customer shall be responsible for resolution of the problem. The customer shall also be responsible for reimbursement of the Company expenses incurred for visits to the meter location to ascertain the cause of the problem, including reimbursing the Company for any expenses the Company incurs, such as, but not limited to, the cost to provide a manual meter read.

2. Company Responsibilities:
   a. Equipment shall be replaced at the Company’s discretion and shall be based upon available resources and Company Schedule.
   b. In the absence of equipment failure, if the customer requests replacement of working equipment, it shall be scheduled by order of request and availability.
MERCHANT FUNCTION CHARGE:

The Merchant Function Charge reflects the administrative costs of obtaining electricity supply. 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 as listed above plus the Bill Issuance Charge, if applicable, or unless otherwise stated in the applicable special provisions.

The minimum charge for customers who choose to take all or part of their back-up or maintenance service under this service classification rather than under Special Provision (d) of NYSEG's Service Classification No. 11 is described in the "DETERMINATION OF DEMAND" section.

REVENUE DECOUPLING MECHANISM ("RDM"):

A customer taking service under this Service Classification shall be subject to a Revenue Decoupling Mechanism adjustment as explained in this Schedule, General Information Section 7. Customers taking Transmission service (SC 7-4) are excluded from the RDM. See RDM Statement
SERVICE CLASSIFICATION NO. 7 (Continued)

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 Rule 4). See SBC Statement. kWh supplied by NYPA are exempt from the System Benefits Charge.

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 Rule 3). See RSS Statement.

RATE ADJUSTMENT MECHANISM ("RAM"):
The RAM shall be applied per kW to all kW delivered under this Service Classification (as explained in this schedule, General Information Rule 38). See RAM Statement.

COMPETITIVE METERING OPTION:
Qualified Customers who select the Competitive Metering Option must comply with the requirements specified in P.S.C. No. 119 - Electricity and specified in General Information Rule 14 of this Schedule, and shall not be charged the Meter Ownership Charge. This provision is separate and distinct from Competitive Metering.

METER OWNED BY CUSTOMER, INSTALLED AND MAINTAINED BY THE COMPANY
Customers electing to own their own meters, as described in Section 3.A.2 of P.S.C. No. 119 - Electricity, shall not be charged the Meter Ownership Charge. This provision is separate and distinct from Competitive Metering.

INCREASES IN RATES AND CHARGES:
The rates and charges under this Service Classification, including the minimum charge, shall be increased by a surcharge pursuant to Rule 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 shall be derived from the on-peak hours only. The metered demand shall be the highest average kW used in a 15-minute interval during the month.

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

For subtransmission and transmission customers also served by the Company under Special Provision F of Service Classification No. 10, the measured demand of the output provided by the customer's generating facility shall be added to the measured demand as determined by the Company's meter for service under this Classification.
SERVICE CLASSIFICATION NO. 7 (Continued)

DETERMINATION OF DEMAND: (Cont’d.)

Customers who choose to take all or part of their back-up or maintenance service under this service classification rather than under Special Provision (d) of the Company’s Service Classification No. 11 will pay a minimum demand charge as described in the Company’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.

DETERMINATION OF REACTIVE KILOVOLT-AMPERE HOURS:

Whenever the customer’s metered demand is 200 KW or more for two consecutive billing periods, the reactive kilovolt-ampere hours shall thereafter be metered. The billing reactive kilovolt-ampere hours shall be the reactive kilovolt-ampere hours in excess of one-third of the metered kilowatt hours.

Effective 05/01/2010:

Whenever the customer’s metered demand is 200 kW or more for two billing periods in any two of the previous 12 months, the reactive kilovolt-ampere hours shall thereafter be metered. The billing reactive kilovolt-ampere hours will be the reactive kilovolt-ampere hours in excess of one-fourth of the metered kilowatt-hours.

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 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 year and thereafter until terminated by 30 days' notice. However, the Company may, with the permission of the Public Service Commission, require the customer to agree to take service at rates from time to time effective for a longer term dependent upon the amount of investment required or other unusual conditions incident to the service. Time-of-use metering and billing will continue even if the customer's demands should remain below 500 KW and as set forth in Special Provision (e) herein.

VOLTAGE OPTION:

Customers taking service at other than the stated Secondary Voltages shall furnish and maintain the necessary transformer substation.

At the discretion of the Company, metering for Transmission Service may be on the secondary side of the customer's transformers and calculated transformer losses will be added to measured demand and energy prior to billing. When metering is on the secondary side of the customer's transformers, no load transformer losses will be based on manufacturer's published data for customer's transformers, or equivalent, assuming 730 hours per month. Load losses based on manufacturer's published data for customer's transformer, or equivalent, will be determined by multiplying metered demand and metered energy, respectively, by individually calculated factors developed in accordance with generally accepted engineering principles assuming 730 hours per month and taking cognizance of full load capacity of the customer's transformer, the customer's average peak load and the load factor and average power factor of the load. Such factors will be reviewed annually or as load changes require.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS:
   (a) Budget Billing:
       Customers may, by signing an application, be billed monthly in accordance with the plan set forth in
       Section 4-P of P.S.C. No. 119 - Electricity or superseding issues thereof.

   (b) Submetering:
       Submetering may be available according to certain conditions as explained in the General Information
       leaves of this Schedule, Section 2, Submetering.
SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont’d)

(c) Energy Smart Community (“ESC”) Rate Option Pilot
   A qualifying customer located within the certain portions of Tompkins County may enroll in the ESC Rate Option Pilot as set forth in Rule 41.
SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd)

Reserved for Future Use
SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(d) Economic Incentives: Reserved for Future Use
SPECIAL PROVISIONS: (Cont'd)

(d) Economic Incentives: (Cont'd)

1) Reserved for Future Use
2) Reserved for Future Use
3) Economic Development Zone Incentive:

Customers who qualify, under the Economic Development Zone Incentive (EDZI) in Section 9 of the General Information section of this Schedule, to receive an incentive for load qualified on or after July 1, 2003 may select one of the following rate options, as specified in this Service Classification and Section 25, Supply Service Options, for all of their load: 1) NYSEG Supply Service (NSS), 2) ESCO Supply Service (ESS), or 3) Hourly Pricing.

Such customers shall receive the incentive for a term of 10 years following initial zone certification beginning with the eligibility date on the zone certificate (unless the customer's initial zone certification(s) becomes invalid).
SPECIAL PROVISIONS: (Cont'd)

(d) Economic Incentives: (Cont'd)

(3) Economic Development Zone Incentive: (Cont'd)

All customers shall be required to pay Commodity, Merchant Function and Bill Issuance Charges, if applicable, in accordance with the standard NSS, ESS, or Hourly Pricing rates, System Benefits Charge, Revenue Decoupling Mechanism, Reliability Support Services (RSS), and Revenue Adjustment Mechanism (RAM) surcharge for this Service Classification. Hourly Pricing customers shall also be billed the Electric Capacity Charge in accordance with the Hourly Pricing rates for this Service Classification.

Customers taking service under S.C. No. 7-1 and S.C. No. 7-2 shall be exempt from paying the Transition Charge (Non-Bypassable Charge [“NBC”]). For certain adjustments approved by the Commission, a separate credit shall be calculated and placed on the customer’s bill. If it is determined that a bill calculated with the incentive exceeds a bill calculated under the otherwise applicable standard service classification rates, the customer shall pay the lower of the two bills.

The qualified load receiving the incentive shall be billed at the following applicable delivery rates:

<table>
<thead>
<tr>
<th>Voltage Secondary</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.C. 7-1 Distribution</td>
<td>07/01/16</td>
</tr>
<tr>
<td>Customer Charge</td>
<td>$123.18</td>
</tr>
<tr>
<td>Meter Ownership Charge</td>
<td>$1.33</td>
</tr>
<tr>
<td>Meter Service Charge</td>
<td>$15.90</td>
</tr>
<tr>
<td>Meter Data Service Charge (Meter Reading)</td>
<td>$5.98</td>
</tr>
<tr>
<td>Demand Charge On-Peak Service</td>
<td>$7.23</td>
</tr>
<tr>
<td>Reactive Charge Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
<td>$0.00078</td>
</tr>
</tbody>
</table>
(d) Economic Incentives: (Cont’d)

(3) Economic Development Zone Incentive: (Cont’d)

The qualified load receiving the incentive shall be billed at the following applicable delivery rates: (Cont’d)

<table>
<thead>
<tr>
<th>VOLTAGE PRIMARY</th>
<th>Effective Date</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>S.C. 7-2 DISTRIBUTION</td>
<td>07/01/16</td>
<td>05/01/17</td>
<td>05/01/18</td>
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<tr>
<td>Customer Charge</td>
<td>$442.24</td>
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<td>Meter Ownership Charge</td>
<td>$4.97</td>
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<td>Meter Service Charge</td>
<td>$46.24</td>
<td>$46.24</td>
<td>$46.24</td>
</tr>
<tr>
<td>Meter Data Service Charge</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Meter Reading)</td>
<td>$17.94</td>
<td>$17.94</td>
<td>$17.94</td>
</tr>
<tr>
<td>Demand Charge</td>
<td>$6.75</td>
<td>$6.97</td>
<td>$7.30</td>
</tr>
<tr>
<td>Reactive Charge</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
<td>$0.00078</td>
<td>$0.00078</td>
<td>$0.00078</td>
</tr>
</tbody>
</table>
SPECIAL PROVISIONS: (Cont'd)

(d) Economic Incentives: (Cont'd)

(3) Economic Development Zone Incentive: (Cont'd)

Customers taking service under S.C. No. 7-3 shall be subject to the otherwise applicable standard service classification rates, including the Transition Charge (Non-Bypassable Charge ["NBC"]), Commodity, Merchant Function and Bill Issuance Charges, if applicable, System Benefits Charge, Reliability Support Services Surcharges, Rate Adjustment Mechanism, and Revenue Decoupling Mechanism surcharges, if applicable, in accordance with the standard NSS, ESS, or Hourly Pricing rates for this Service Classification.
SERVICES CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd)

Reserved for Future Use
SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(d) Economic Incentives: (Cont'd)

(3) Economic Development Zone Incentive: (Cont'd)

Reserved for Future Use

Issued in compliance with order in Case No. 09-E-0227 dated 09/28/09.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(d) Economic Incentives: (Cont'd)

(3) Economic Development Zone Incentive: (Cont'd)

Reserved for Future Use

Issued in compliance with order in Case No. 09-E-0227 dated 09/28/09.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont’d)

(d) Economic Incentives: (Cont’d)

(4) Reserved for Future Use
SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(d) Economic Incentives: (Cont’d)

(4) Reserved for Future Use
SPECIAL PROVISIONS: (Cont'd.)

(d) Economic Incentives: (Cont’d)

(4) Reserved for Future Use

(5) Reserved for Future Use
SPECIAL PROVISIONS:  (Cont'd.)

(d) (6) Recharge New York ("RNY") Power Program

Customers who qualify for the Recharge NY Power Program pursuant to Section 11 of the General Information Section of this Schedule, will have such power billed in accordance with the provision therein. The customer's power requirements in excess of the RNY Power allocation will be billed in accordance with the ESCO Supply Service rate or the NYSEG Supply Service rate of this Service Classification applicable to the customer's voltage level.
SPECIAL PROVISIONS: (Cont’d.)

(d) Economic Incentives: (Cont’d)

(7) Reserved for Future Use
SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont’d.)

(d) Economic Incentives: (Cont’d)

(7) Reserved for Future Use
SPECIAL PROVISIONS: (Cont’d.)

(d) Economic Incentives: (Cont’d)

(7) Reserved for Future Use
SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(d) Economic Incentives: (Cont’d)

(7) Reserved for Future Use

(8) Reserved for Future Use

(9) High Load Factor Manufacturer Power ("HLFM")

Before service will commence under this Special Provision, the Company and NYPA must execute an agreement governing additional terms of HLFM service. During the Price Cap Period (March 3, 1998 through March 2, 2003) customers who qualify for this special HLFM power provision, pursuant to Section 18 of the General Information section of this Schedule, provided such load was not previously served by the Company, will have such power billed in accordance with the following rate schedule:
SPECIAL PROVISIONS: (Cont'd.)

(d) (9) High Load Factor Manufacturer Power ("HLFM") (Cont'd.)

<table>
<thead>
<tr>
<th>RATE: (Per Month)</th>
<th>Unit</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery Charge - All kilowatts, per kW (applied to the customer's monthly NYPA Billing Demand, adjusted for losses) On-Peak Transmission</td>
<td>NYSEG's then applicable OATT service rate (subject to FERC review, acceptance or approval)</td>
<td></td>
</tr>
<tr>
<td>Additional Charge for service below 34.5 kV Primary</td>
<td>$ 3.81</td>
<td></td>
</tr>
<tr>
<td>Secondary</td>
<td>$ 4.32</td>
<td></td>
</tr>
<tr>
<td>Demand Charge - All kilowatts, per kW (applied to the customer's monthly NYPA Billing Demand, adjusted for losses)</td>
<td>NYSEG will charge the customer for a NYPA Demand Charge for HLFM service subject to the execution of an agreement with NYPA for HLFM service.</td>
<td></td>
</tr>
<tr>
<td>Energy Charge - per kWh (applied to the customer's monthly NYPA Billing Energy, adjusted for losses)</td>
<td>NYSEG will charge the customer a NYPA Energy Charge for HLFM service subject to the execution of an agreement with NYPA for HLFM service.</td>
<td></td>
</tr>
<tr>
<td>Reactive Charge: * Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hours</td>
<td>$0.00095</td>
<td></td>
</tr>
</tbody>
</table>

* Effective 05/01/2010, the Reactive Charge will be $0.00078.

HLFM customers may obtain energy loss compensation service, Operating Reserve - Spinning Reserve Service, and Operating Reserve - Supplemental Reserve Service (collectively referred to as "voluntary ancillary services") from NYPA or another supplier other than NYSEG. If such HLFM customer chooses to obtain the voluntary ancillary services from NYSEG, they will be provided at the rates and charges included in the then effective OATT, or for loss compensation services at rates and terms mutually agreed upon by NYSEG and such customer.

Other Billing Adjustments:

Increase in Rates applicable to Municipality where service is supplied shall be applied to the amounts billed.

Billing:

Billing provisions related to HLFM service will be subject to the execution of an agreement by the Corporation with NYPA related to the provision of HLFM service.
SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(d) (10) Incremental Load Incentive (ILI)

Customers who qualify under the Incremental Load Incentive (ILI) in Section 19 of the General Information section may select one of the following rate options, as specified in this Service Classification and Section 25, Supply Service Options, for all of their load: 1) NYSEG Supply Service (NSS), 2) ESCO Supply Service (ESS), or 3) Hourly Pricing.

Such customers shall receive the incentive for a term of 60 months.

Customers taking service under this provision shall be subject to the otherwise applicable standard service classification rates, including the Transition Charge (Non-Bypassable Charge ["NBC"]), Commodity, Merchant Function and Bill Issuance Charges, if applicable, System Benefits Charge, Reliability Support Services Surcharge, Rate Adjustment Mechanism, and Revenue Decoupling Mechanism, if applicable.
SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

Reserved for Future Use
SPECIAL PROVISIONS: (Cont’d.)

(d) (11) Excelsior Jobs Program (“EJP”)
Service taken under this Service Classification may be eligible for the rates and charges under the
Excelsior Jobs Program. Any customer who meets the qualifications set forth under General Information
Rule 32 shall pay for service at the following rate:

RATE: (per month)
For customers qualifying for the EJP, the Transition Charge (Non-Bypassable Charge [“NBC”]) and the
Revenue Decoupling Mechanism (RDM) Adjustment do not apply to the following S.C. No. 7 voltage
levels: Secondary and Primary. All customers shall be required to pay Commodity, Capacity, Merchant
Function, and Bill Issuance Charges, if applicable, in accordance with the standard NSS or ESS rates for
this Service Classification. All customers are also required to pay the System Benefits Charges, and
Reactive Charges in accordance with the standard NSS or ESS rates for this Service Classification.

If it is determined that a bill calculated with the incentive exceeds a bill calculated under the otherwise
applicable standard service classification rates, the customer shall pay the lower of the two bills.
SPECIAL PROVISIONS: (Cont'd.)
(d) (11) Excelsior Jobs Program (EJP) (Cont'd)

<table>
<thead>
<tr>
<th>VOLTAGE SECONDARY S.C. 7-1 DISTRIBUTION</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery Charges</td>
<td>07/01/16</td>
</tr>
<tr>
<td>Customer Charge</td>
<td>$123.18</td>
</tr>
<tr>
<td>Meter Ownership Charge</td>
<td>$1.33</td>
</tr>
<tr>
<td>Meter Service Charge</td>
<td>$15.90</td>
</tr>
<tr>
<td>Meter Data Service Charge (Meter Reading)</td>
<td>$5.98</td>
</tr>
<tr>
<td>Demand Charge</td>
<td>$7.23</td>
</tr>
<tr>
<td>Reactive Charge</td>
<td>$0.00078</td>
</tr>
</tbody>
</table>

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SPECIAL PROVISIONS: (Cont’d.)

(d) (11) Excelsior Jobs Program (EJP) (Cont’d)

For a customer qualifying for the EJP program and taking S.C. 7-2 Primary, S.C. 7-3 Subtransmission and 7-4 Transmission service, such customer shall be subject to the otherwise applicable standard service classification rates, including the Transition Charge (Non-Bypassable Charge [“NBC”]), Commodity, Merchant Function, and Bill Issuance Charges, if applicable, in accordance with the standard NSS or ESS rates for this Service Classification. All customers are also required to pay the System Benefits Charges, Reliability Support Services Surcharge, Rate Adjustment Mechanism, and Reactive Charges in accordance with the standard NSS or ESS rates for this Service Classification. Qualifying load shall be exempt from the Revenue Decoupling Mechanism (RDM).

EJP customers shall be offered two supply service options and charged in accordance with their choice:

1. ESCO Supply Service
2. NYSEG Supply Service

(e) Billing Duration:

Service Classification No. 2 customers who opt for service under Service Classification No. 7 for the first time must remain on the Time-Of-Use rate for a period of not less than six months prior to becoming eligible to return to Service Classification No. 2. If a customer returns to Service Classification No. 2, the customer must remain a Service Classification No. 2 customer for at least 18 months before again becoming eligible for Service Classification No. 7. If the customer again opts for Service Classification No. 7, the customer must remain on Service Classification No. 7 in conformance with the TERM as set forth herein.

(f) RESERVED FOR FUTURE USE

(g) RESERVED FOR FUTURE USE
SPECIAL PROVISIONS: (Cont’d.)

(h) Industrial/High Load Factor ("I/HLF") Rate Provision:

(1) Available to a customer's account that meets usage eligibility as defined in (2) or (3) of this section. Customers who are taking service under NYSEG’s Economic Development Incentive, Economic Development Zone Incentive, New York Power Authority (NYPA) programs (Expansion Power, Economic Development Power, Power for Jobs, Replacement Power, High Load Factor Manufacturer and Preservation Power), Interruptible Service or S.C. 14 may take service under this rate provision, only for that portion of their load served at NYSEG's standard tariff rate, provided that the non-discounted load meets the eligibility requirements of this special provision. Allocation of billing units (kW, kWh, rkvah) for partial load is explained in (4) of this section.

Any customer taking service under the Economic Revitalization Incentive and choosing instead to take service under this Rate Provision, must have met or agrees to continue to meet its Economic Revitalization commitments.

Recipients of NYSEG incentive rates applicable to their entire load may qualify for this special provision by relinquishing eligibility under the incentive, provided that they meet the eligibility requirements of this special provision.

(2) Eligibility:

Eligibility will be determined based on the total metered demand and energy excluding the NYPA portion of that metered amount.

(i) Industrial Rate Provision:

Applicable to new or existing Industrial customers’ accounts (NYSEG's Revenue Class 30) as defined in Division "D" of the Standard Industrial Classification Manual that are engaged in manufacturing (SIC Major Codes 20-39) or mining (SIC Major Codes 10-14), and that have an average annual demand of 500 kilowatts or greater during the previous 12 months. Average annual demand for this provision is calculated as follows:

\[
D/M
\]

\[
D = \text{Annual demands. For existing customers this will be the sum of the actual billed on-peak demands during the most recent 12 consecutive months. For new customers or customers with incomplete history, the 12 months of on-peak demand will be estimated by the Corporation from engineering and operating estimates to fit within the annual time period.}
\]

\[
M = \text{Total number of billing months. For existing customers this will be the sum of the actual number of billing periods during the most recent 12 consecutive months. For new customers with 12 estimated demands this will be 12.}
\]
SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(h) Industrial/High Load Factor Rate Provision (Cont'd.):
   (2) Eligibility (Cont'd.)

   (ii) High Load Factor Rate Provision:

   Applicable to an existing customer's account having an annual load factor of 68.0% or greater
   (approximately 500 hours' average use of kW demand per month). Also applicable to a new
   customer's account with an estimated annual load factor of 68.0% or greater. Annual load factor for
   this provision is calculated as follows:

   \[
   \frac{A}{(D*H)}
   \]

   \( A \) = Annual kWh. For existing customers this will be the actual total energy usage billed during the
   most recent 12 consecutive months. For new customers or customers with incomplete history,
   the annual usage will be estimated by the Corporation from engineering and operating estimates
   to fit within the time period.

   \( D \) = Maximum demand. For existing customers this will be the highest billed on-peak demand during
   the most recent 12 consecutive months. For new customers or customers with incomplete
   history, the demand will be estimated by the Corporation from engineering and operating
   estimates to fit within the time period.

   \( H \) = Number of total hours in the annual billing period.

   Any customer taking service under the Business Retention Incentive or the Economic Revitalization
   Incentive may, if otherwise qualified, choose instead to take service under this Rate Provision, provided
   that the customer has met or agrees to continue to meet its Business Retention or Economic Revitalization
   commitments.

   (3) Rate Qualification Review:

   Each account will be reviewed annually to verify continued qualification, based on usage during the
   previous year. Such review shall occur 12 months after the initiation of this rate provision, and shall be
   repeated each year thereafter.

   (i) To maintain qualification for the Industrial provision, the average annual demand of a customer's
   account, as determined above, must be 500 kW or greater.

   (ii) To maintain qualification for the High Load Factor provision, the annual load factor for a customer's
   account, as determined above, must be 68.0% or greater.
(h) Industrial/High Load Factor Rate Provision (Cont'd.):

(4) Allocation of Billing Units for Partial Load

Billing units (kW, kWh, rkvah) will be allocated between the Industrial/High Load Factor and Economic incentives or Interruptible portions of the customer's bill based on the following formulas:

(i) Economic Incentive

\[
\begin{align*}
B &= \text{Billing kW} \\
T &= \text{Total kWh} \\
E_{\text{KWH}} &= \text{Incented kWh} \\
E_{\text{KW}} &= \text{Incented kW} \\
N_{\text{KW}} &= \text{Non-incented kW} \\

\left(\frac{E_{\text{KWH}}}{T}\right) \times B &= E_{\text{KW}} \\
B - E_{\text{KW}} &= N_{\text{KW}}
\end{align*}
\]

(ii) Interruptible Incentive

\[
\begin{align*}
D &= \text{Maximum on-peak metered demand} \\
C &= \text{Contract non-interruptible demand. This is the firm power contracted for by the customer for use during periods of interruption.} \\
A &= \text{Average interruptible hours per month (600/12=50)} \\
H &= \text{Average number of hours per month (730)} \\
I_{\text{KW}} &= \text{Interruptible KW. This is the on-peak demand minus the contract non-interruptible demand} \\
R &= \text{Ratioed interruptible KW} \\
K &= \text{KWH associated with the interruptible demand} \\
T &= \text{Total KWH for the billing period} \\
N_{\text{KWH}} &= \text{Non-interruptible KWH (eligible for the Industrial/HLF discount)}

\left(\frac{A}{H}\right) \times I_{\text{KW}} &= R \\
\left(\frac{R}{D}\right) \times T &= K \\
T - K &= N_{\text{KWH}}
\end{align*}
\]
SPECIAL PROVISIONS: (Cont’d)

(h) Industrial/High Load Factor Rate Provision (Cont’d.):

(3) Reserved for Future Use

(4) Rate for Industrial/High Load Factor Service: (Per Month)
A complete description of the Supply Service Options appears previously in this Service Classification.
Customers taking service under NSS shall pay Commodity and Merchant Function Charges in accordance
with the standard NSS rates for the Service Classification.

Delivery Rates for ESS and NSS under the Industrial/High Load Factor Special Provision are as follows:

Rate: (Per Meter, Per Month)

<table>
<thead>
<tr>
<th>VOLTAGE SECONDARY</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>SC 7-1 DISTRIBUTION</td>
<td>07/01/16</td>
</tr>
<tr>
<td>Customer Charge</td>
<td>$123.18</td>
</tr>
<tr>
<td>Meter Ownership Charge</td>
<td>$1.33</td>
</tr>
<tr>
<td>Meter Service Charge</td>
<td>$15.90</td>
</tr>
<tr>
<td>Meter Data Service Charge (Meter Reading)</td>
<td>$5.98</td>
</tr>
<tr>
<td>Demand Charge</td>
<td>$7.97</td>
</tr>
<tr>
<td>Reactive Charge</td>
<td>$0.00078</td>
</tr>
</tbody>
</table>

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

Bill Issuance Charge (per bill):
$0.81 as described in General Information Section 16.J.

Rate Adjustment Mechanism (“RAM”):
All kW, per kW See RAM Statement, as described in Rule 38
SPECIAL PROVISIONS: (Cont’d)
(h) Industrial/High Load Factor Rate Provision (Cont’d.):

(4) Rate for Industrial/High Load Factor Service: (Per Month) (Cont’d.)

Delivery Rates for ESS and NSS under the Industrial/High Load Factor Special Provision are as follows (cont’d):

<table>
<thead>
<tr>
<th>Rate: (Per Meter, Per Month)</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>VOLTAGE PRIMARY</td>
<td>07/01/16  09/01/16  05/01/17  05/01/18</td>
</tr>
<tr>
<td>SC 7-2 DISTRIBUTION</td>
<td></td>
</tr>
<tr>
<td>Customer Charge</td>
<td>$442.24   $442.24   $467.18   $492.62</td>
</tr>
<tr>
<td>Meter Ownership Charge</td>
<td>$4.97     $4.97     $4.97     $4.97</td>
</tr>
<tr>
<td>Meter Service Charge</td>
<td>$46.24    $46.24    $46.24    $46.24</td>
</tr>
<tr>
<td>Meter Data Service Charge</td>
<td>$17.94    $17.94    $17.94    $17.94</td>
</tr>
<tr>
<td>(Meter Reading)</td>
<td></td>
</tr>
<tr>
<td>Demand Charge</td>
<td>$6.52     $6.64     $6.97     $7.30</td>
</tr>
<tr>
<td>On-Peak Service</td>
<td></td>
</tr>
<tr>
<td>Reactive Charge</td>
<td>$0.00078  $0.00078  $0.00078  $0.00078</td>
</tr>
<tr>
<td>Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
<td></td>
</tr>
</tbody>
</table>

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

Bill Issuance Charge (per bill):
$0.81 as described in General Information Section 16.J.

Rate Adjustment Mechanism (“RAM”):
All kW, per kW
See RAM Statement, as described in Rule 38

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont’d.)

(h) Industrial/High Load Factor Rate Provision (Cont’d.):

(4) Rate for Industrial/High Load Factor Service: (Per Month) (Cont’d.)

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SPECIAL PROVISIONS: (Cont’d.)

(h) Industrial/High Load Factor Rate Provision (Cont’d.):

(4) Rate for Industrial/High Load Factor Service: (Per Month) (Cont’d.)

Delivery Rates for ESS and NSS under the Industrial/High Load Factor Special Provision are as follows (cont’d):

<table>
<thead>
<tr>
<th>Rate: (Per Meter, Per Month)</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>VOLTAGE PRIMARY</td>
<td>07/01/16</td>
</tr>
<tr>
<td>SC 7-3 SUBTRANSMISSION</td>
<td>09/01/16</td>
</tr>
<tr>
<td>05/01/17</td>
<td></td>
</tr>
<tr>
<td>05/01/18</td>
<td></td>
</tr>
<tr>
<td>Customer Charge</td>
<td>$995.06</td>
</tr>
<tr>
<td>$995.06</td>
<td></td>
</tr>
<tr>
<td>$1,048.59</td>
<td></td>
</tr>
<tr>
<td>$1,103.22</td>
<td></td>
</tr>
<tr>
<td>Meter Ownership Charge</td>
<td>$4.68</td>
</tr>
<tr>
<td>$4.68</td>
<td></td>
</tr>
<tr>
<td>$4.68</td>
<td></td>
</tr>
<tr>
<td>$4.68</td>
<td></td>
</tr>
<tr>
<td>Meter Service Charge</td>
<td>$46.09</td>
</tr>
<tr>
<td>$46.09</td>
<td></td>
</tr>
<tr>
<td>$46.09</td>
<td></td>
</tr>
<tr>
<td>$46.09</td>
<td></td>
</tr>
<tr>
<td>Meter Data Service Charge</td>
<td>$15.56</td>
</tr>
<tr>
<td>(Meter Reading)</td>
<td>$15.56</td>
</tr>
<tr>
<td>$15.56</td>
<td></td>
</tr>
<tr>
<td>$15.56</td>
<td></td>
</tr>
<tr>
<td>Demand Charge</td>
<td>$1.89</td>
</tr>
<tr>
<td>On-Peak Service</td>
<td>$1.95</td>
</tr>
<tr>
<td>Reactive Charge</td>
<td>$2.04</td>
</tr>
<tr>
<td>Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
<td>$2.14</td>
</tr>
<tr>
<td>$0.00078</td>
<td></td>
</tr>
<tr>
<td>$0.00078</td>
<td></td>
</tr>
<tr>
<td>$0.00078</td>
<td></td>
</tr>
<tr>
<td>$0.00078</td>
<td></td>
</tr>
</tbody>
</table>

Transition Charge (Non-Bypassable Charge [“NBC”]):
All kWh, per kWh See Transition Charge Statement
Bill Issuance Charge (per bill): $0.81 as described in General Information Section 16.J.
Rate Adjustment Mechanism (“RAM”):
All kW, per kW See RAM Statement, as described in Rule 38
SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont’d.)

(h) Industrial/High Load Factor Rate Provision (Cont’d.):

(4) Rate for Industrial/High Load Factor Service: (Per Month) (Cont’d.)

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ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont’d.)

(h) Industrial/High Load Factor Rate Provision (Cont’d.)

(4) Rate for Industrial/High Load Factor Service: (Per Month) (Cont’d.)

Delivery Rates for ESS and NSS under the Industrial/High Load Factor Special Provision are as follows (cont’d):

Rate: (Per Meter, Per Month)

<table>
<thead>
<tr>
<th>Description</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>VOLTAGE PRIMARY</strong></td>
<td></td>
</tr>
<tr>
<td><strong>SC 7-4 TRANSMISSION</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Effective Date</strong></td>
<td>07/01/16</td>
</tr>
<tr>
<td><strong>Customer Charge</strong></td>
<td>$2,164.81</td>
</tr>
<tr>
<td><strong>Meter Ownership Charge</strong></td>
<td>$18.32</td>
</tr>
<tr>
<td><strong>Meter Service Charge</strong></td>
<td>$154.73</td>
</tr>
<tr>
<td><strong>Meter Data Service Charge</strong></td>
<td>$54.78</td>
</tr>
<tr>
<td><strong>Demand Charge</strong></td>
<td></td>
</tr>
<tr>
<td><strong>On-Peak Service</strong></td>
<td>$0.73</td>
</tr>
<tr>
<td><strong>Reactive Charge</strong></td>
<td></td>
</tr>
<tr>
<td>Reactive kilovolt-ampere hours, per</td>
<td></td>
</tr>
<tr>
<td>billing reactive kilovolt-ampere hour</td>
<td>$0.00078</td>
</tr>
</tbody>
</table>

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

Bill Issuance Charge (per bill):
$0.81 as described in General Information Section 16.J.

Rate Adjustment Mechanism (“RAM”):
All kW, per kW See RAM Statement, as described in Rule 38

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont’d.)

(h) Industrial/High Load Factor Rate Provision (Cont’d.):

(4) Rate for Industrial/High Load Factor Service: (Per Month) (Cont’d.)

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ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

(h) Industrial/High Load Factor Rate Provision (Cont'd.):

(4) Rate for Industrial/High Load Factor Service: (Per Month) (Cont'd.)

b. **Reserved for Future Use**
SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont’d.)

(h) Industrial/High Load Factor Rate Provision (Cont’d.):

(4) Rate for Industrial/High Load Factor Service: (Per Month) (Cont’d.)

Reserved for Future Use
SPECIAL PROVISIONS: (Cont'd)

(h) Industrial/High Load Factor Rate Provision (Cont’d.):

(4) Rate for Industrial/High Load Factor Service: (Per Month) (Cont’d.)

Reserved for Future Use

(i) Reserved for Future Use

(j) Reserved for Future Use
SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd)

Reserved for Future Use

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SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd)

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Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

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SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd)

Reserved for Future Use

Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd)

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SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd)

Reserved for Future Use

Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

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SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Cont'd)

Reserved for Future Use

Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SPECIAL PROVISIONS: (Cont’d.)

(k) C.A.S.H.BACK Special Provision:

The Company shall provide a voluntary program for load normally supplied and delivered by the Company, for eligible customers to curtail load. The Company's program, entitled C.A.S.H.BACK, implements the NYISO's day-ahead economic load-curtailment program. Under this program, a customer agrees to curtail load when their bid is submitted and accepted by the NYISO.

Customers who are qualified under C.A.S.H.BACK in Section 21 of the General Information section of this Schedule may participate in the Company C.A.S.H.BACK Program as set forth therein.

(l) 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 22 of this Schedule and taking service under S.C. No. 7. If electricity (kWh) supplied by the customer to the Company is not metered for the time-differentiated periods, an allocation to each TOU period shall be done according to allocation factors as described herein. 47% of the excess electricity (kWh) supplied by the customer shall be considered On-Peak. 53% of the excess electricity (kWh) shall be considered Off-Peak.

(m) Wind Electric Service Option:

This option is for a customer qualifying for the Wind Non-Residential Service Option pursuant to General Information Section 23 of this Schedule and taking service under S.C. No. 7. If electricity (kWh) supplied by the customer to the Company is not metered for the time-differentiated periods, an allocation to each TOU period shall be done according to allocation factors as described herein. 47% of the excess electricity (kWh) supplied by the customer shall be considered On-Peak. 53% of the excess electricity (kWh) shall be considered Off-Peak.

(n) Solar Non-Residential Electric Service Option:

This option is for a customer qualifying for the Solar Non-Residential Generating Service Option pursuant to General Information Section 27 of this Schedule and taking service under S.C. No. 7. If electricity (kWh) supplied by the customer to the Company is not metered for the time-differentiated periods, an allocation to each TOU period shall be done according to allocation factors as described herein. 47% of the excess electricity (kWh) supplied by the customer shall be considered On-Peak. 53% of the excess electricity (kWh) shall be considered Off-Peak.

(o) Electric Hybrid Generating System Option:

This option is for a customer qualifying for the Electric Hybrid Generating System Option pursuant to General Information Section 24 of this Schedule and taking service under S.C. No. 7.

(p) Fuel Cell Electric Service Option:

This option is for a customer qualifying for the Fuel Cell Service Option pursuant to General Information Section 30 of this Schedule and taking service under S.C. No. 7.

(q) Micro-Hydroelectric Service Option:

This option is for a customer qualifying for the Micro-Hydroelectric Service Option pursuant to General Information Section 31 of this Schedule and taking service under S.C. No. 7.

(r) Community Distributed Generation Service Option:

This option is for a customer qualifying for the Community Distributed Generation Service Option pursuant to General Information Section 37 of this Schedule and taking service under S.C. No. 7.
SERVICE CLASSIFICATION NO. 8

APPLICABLE TO THE USE OF SERVICE FOR:
Residential Service customers who: (1) have opted for "Day-Night" metering and service rates, prior to May 27, 1988; or (2) for new customer installations which will use 1000 kWh or more per month; or (3) existing residential customers, presently served under S.C. No. 1, who use 1000 kWh or more per month, in individual private dwellings, flats or apartments, and such religious customers utilizing service exclusively in connection with religious purposes by a corporation or association organized and conducted in good faith for religious purposes.

Applicable also to use exclusively in connection with a community residence for the mentally disabled, as defined in subdivision 28, 28-a, 28-b of section 1.03 of the mental hygiene law, provided that such residence is operated by a not-for-profit corporation and, if supervisory staff is on site 24 hours a day, that the residence provides living accommodations for 14 or fewer residents.

Also applicable to any not-for-profit corporation that is a veterans' organization that owns or leases a post or hall.

After application from a qualified customer, the Corporation will meter and bill all energy used during the meter controlled "night" hours of approximately 11:30 P.M. to 7:00 A.M. Eastern Standard Time at the below stated "Night" Service Rate. Energy used during all other hours will be metered and billed at the below stated "Day" Service Rate.

CHARACTER OF SERVICE:
Residential Customers:
Continuous - Alternating current, 60 Cycle; 120, 120/208, or 120/240 Volts - Single Phase. (Characteristics depend upon available circuits.)

Religious, Veterans' Organizations, and Community Residence Supportive Living Facility Customers:
Continuous - Alternating Current, 60 Cycle; Single or Three Phase. (Characteristics depend upon available circuits and equipment.)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS:

Pursuant to General Information Section 25, Supply Service Options, customers served under this Service Classification will choose from different electric rate options offered by the Company as described below. NYSEG will 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 Access choice is the NYSEG Supply Service (NSS).

NYSEG will provide Delivery Service regardless of the customer’s Supply Service Option.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 8 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (Cont’d.)

1. ESCO Supply Service (ESS)

This Retail Access choice includes fixed charges for NYSEG delivery service and a Transition Charge (Non-Bypassable Charge [“NBC”]). Supply Service shall be provided by an Energy Services Company (ESCO). Customers that elect ESS and receive a Consolidated Bill shall not be subject to the Bill Issuance Charge.

RATE: (Per Meter, Per Month)

Delivery Service:

<table>
<thead>
<tr>
<th></th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>07/01/16</td>
</tr>
<tr>
<td>Customer Charge</td>
<td>$17.40</td>
</tr>
<tr>
<td>Energy Charge</td>
<td></td>
</tr>
<tr>
<td>(All kWh, per kWh)</td>
<td></td>
</tr>
<tr>
<td>“Day” Service</td>
<td>$0.03317</td>
</tr>
<tr>
<td>“Night” Service</td>
<td>$0.03317</td>
</tr>
</tbody>
</table>

Transition Charge:
All kWh, per kWh
See Transition Charge Statement

Bill Issuance Charge (per bill): $0.81, as described in General Information Section 16.J.

Rate Adjustment Mechanism (“RAM”):
All kWh, per kWh
See RAM Statement, as described in Rule 38
SERVICE CLASSIFICATION NO. 8 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (Cont’d.)

Reserved for Future Use

Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 8 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (Cont'd.)

2. Reserved for Future Use
SERVICE CLASSIFICATION NO. 8 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (Cont’d.)

2. Reserved for Future Use
SERVICE CLASSIFICATION NO. 8 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (Cont'd.)

3. NYSEG Supply Service (NSS)

This Non-Retail Access choice includes fixed charges for NYSEG delivery service, a Transition Charge (Non-Bypassable Charge ["NBC"]), a fluctuating commodity charge for electricity supplied by the Company, and a Merchant Function Charge.

RATE: (Per Meter, Per Month)

Delivery Service:

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>07/01/16</th>
<th>05/01/17</th>
<th>05/01/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Charge</td>
<td>$17.40</td>
<td>$17.40</td>
<td>$17.40</td>
</tr>
<tr>
<td>Energy Charge (All kWh, per kWh)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>“Day” Service</td>
<td>$0.03317</td>
<td>$0.03551</td>
<td>$0.03790</td>
</tr>
<tr>
<td>“Night” Service</td>
<td>$0.03317</td>
<td>$0.03551</td>
<td>$0.03790</td>
</tr>
</tbody>
</table>

Transition Charge:
All kWh, per kWh See Transition Charge Statement

Commodity Service:
The charge for Electric Power Supply provided by the Company shall fluctuate each month as further described in General Information Section 25.I.C., Calculation of the Commodity Charge.

Merchant Function Charge:
All kWh, per kWh See Merchant Function Charge Statement

Bill Issuance Charge (per bill): $0.81, as described in General Information Section 16.J.

Rate Adjustment Mechanism ("RAM"):
All kWh, per kWh See RAM Statement, as described in Rule 38

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 8 (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 Rule 4). See SBC 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 Rule 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 Rule 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 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 Rule 6 of P.S.C. No. 120 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, or for customers initiating service on or after June 1, 1988, one year and thereafter, until terminated by 48 hours’ notice. Service under this Service Classification, once terminated by the customer, shall be unavailable to said customer at the same premises for one year from the date of such cancellation.
SPECIAL PROVISIONS:

(a) Seasonal Service:

Upon request, customers who, during a period of six or more consecutive months, make only occasional (compared to the balance of the year) or no use of electric service at their premises may have their service maintained throughout the period, not to exceed eight months, and shall be billed for the kilowatt-hours consumed during this period at the following unit prices per kWh:

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Delivery Charges (All kWh, per kWh)</th>
<th>Transition Charge (All kWh, per kWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/01/16</td>
<td>$0.03317</td>
<td>See Transition Charge Statement</td>
</tr>
<tr>
<td>05/01/17</td>
<td>$0.03551</td>
<td></td>
</tr>
<tr>
<td>05/01/18</td>
<td>$0.03790</td>
<td></td>
</tr>
</tbody>
</table>

The total bill for delivery service, however, for the year shall in no case be less than $208.80 plus actual billed Bill Issuance Charges.

Commodity Service

Customers served under this special provision shall be billed for supply service in accordance with the customer’s Supply Service Option (ESS or NSS).
SERVICE CLASSIFICATION NO. 8 (Continued)

SPECIAL PROVISIONS: (Cont’d)

(a) Seasonal Service (Cont’d.)

Merchant Function Charge

All customers served under this Service Classification taking service under the NSS will be required to pay a Merchant Function Charge as set forth on the Merchant Function Charge Statement.

(b) Multiple Dwellings:

Two or more individual flats, apartments or dwelling units presently supplied service through one meter may be billed under this service classification.

(c) Commercial Use:

When a customer operates a commercial establishment (incidental to his residence) in the same building or on the same premises as his residence and takes his entire service through one meter, this classification will apply for the entire service only if the connected load in the residential portion exceeds that in the commercial portion, provided that the connected load in the commercial portion does not exceed 1.5 kW. If the reverse is true, the general classification will apply to the entire service. However, the customer may elect to take service under both the residential and general rates, in which case there will be a separate meter for the residential portion and a separate meter for the general portion.

(d) Budget Billing:

Customers may, by signing an application, be billed monthly in accordance with the plan set forth in Section 4-0 of P.S.C. No. 119 - Electricity or superseding issues thereof.

(e) Quarterly Payment Plan:

Effective November 29, 1985, as required by Public Service Law Section 38, the Company will offer any residential customer, 62 years of age or older, a plan for payment on a quarterly basis of charges for service rendered, provided that such customer's average annual billing is not more than $150.

(f) Reserved For Future Use

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SPECIAL PROVISIONS: (Cont'd)

(f) RESERVED FOR FUTURE USE

(g) Energy Smart Community ("ESC") Rate Option Pilot
A qualifying customer located within the certain portions of Tompkins County may enroll in the ESC Rate Option Pilot as set forth in Rule 41.
SERVICE CLASSIFICATION NO. 8 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(h) Residential Solar Electric Service Option:

This option is for a customer qualifying for the Residential Solar Electric Service Option pursuant to General Information Section 26 of this Schedule and taking service under SC 8. If electricity (kWh) supplied by the customer to the Corporation is not metered for the time-differentiated periods, an allocation to each TOU period will be done according to allocation factors as set forth below:

<table>
<thead>
<tr>
<th>Month</th>
<th>Day</th>
<th>Night</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan, Feb, Mar, Oct, Nov and Dec</td>
<td>100%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Apr</td>
<td>94.6%</td>
<td>5.4%</td>
</tr>
<tr>
<td>May</td>
<td>89.8%</td>
<td>10.2%</td>
</tr>
<tr>
<td>Jun</td>
<td>88.3%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Jul</td>
<td>89.8%</td>
<td>10.2%</td>
</tr>
<tr>
<td>Aug</td>
<td>93.1%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Sep</td>
<td>97.5%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>
SERVICE CLASSIFICATION NO. 8 (Continued)

SPECIAL PROVISIONS:  (Cont'd.)

Reserved for Future Use
SERVICE CLASSIFICATION NO. 8 (Continued)

SPECIAL PROVISIONS:  (Cont'd.)

(i) 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 22 of this Schedule and taking service under SC 8.

If electricity (kWh) supplied by the customer to the Corporation is not metered for the time-differentiated periods, an allocation to each TOU period will be done according to allocation factors as described herein. Sixty-seven percent (67%) of the excess electricity (kWh) supplied by the customer will be considered “Day” kWh. Thirty-three percent (33%) of the excess electricity (kWh) supplied by the customer will be considered “Night” kWh.

(j) Wind Electric Service Option:

This option is for a customer qualifying for the Wind Electric Service Option pursuant to General Information Section 23 of this Schedule and taking service under SC 8.

If electricity (kWh) supplied by the customer to the Corporation is not metered for the time-differentiated periods, an allocation to each TOU period will be done according to allocation factors as described herein. Sixty-seven percent (67%) of the excess electricity (kWh) supplied by the customer will be considered “Day” kWh. Thirty-three percent (33%) of the excess electricity (kWh) supplied by the customer will be considered “Night” kWh.
SERVICE CLASSIFICATION NO. 8 (Continued)

SPECIAL PROVISIONS:  (Cont'd.)

(k) Electric Hybrid Generating System Option:

This option is for a customer qualifying for the Electric Hybrid Generating System Option pursuant to General Information Section 24 of this Schedule and taking service under S.C. No. 8.

(l) 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 29 of this Schedule and taking service under S.C. No. 8.

(m) Fuel Cell Electric Service Option:

This option is for a customer qualifying for the Fuel Cell Service Option pursuant to General Information Section 30 of this Schedule and taking service under S.C. No. 8.

(n) Micro-Hydroelectric Service Option:

This option is for a customer qualifying for the Micro-Hydroelectric Service Option pursuant to General Information Section 31 of this Schedule and taking service under S.C. No. 8.

(o) Community Distributed Generation Service Option:

This option is for a customer qualifying for the Community Distributed Generation Service Option pursuant to General Information Section 37 of this Schedule and taking service under S.C. No. 8.
SERVICE CLASSIFICATION NO. 9

APPLICABLE TO THE USE OF SERVICE FOR:

General Service - Non-Residential customers who: (for Estimated "Day" Service metered demand of 5 kW or less and "Day" Service use for 2000 kWh or less per month for any two consecutive months.)

(1) Have opted for "Day-Night" metering and service rates prior to February 1, 1991; or

(2) for new customer installations which will use a minimum of 1000 kWh per month; or

(3) existing non-residential customers, presently served under S.C. No. 6, who use a minimum of 1000 kWh per month.

After application from a qualified customer, the Corporation will meter and bill all energy used during the meter controlled "Night" hours of approximately 11:30 P.M. to 7:00 A.M. Eastern Standard Time at the below stated "Night" Service Rate. Energy used during all other hours will be metered and billed at the below stated "Day" Service Rate.

CHARACTER OF SERVICE:

Continuous - Alternating Current, 60 Cycle; 120, 120/208, 120/240, 208, 240, 240/416, 277/480 or 480 Volts - Single Phase. (Characteristics depend upon available circuits and equipment.)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS:

Pursuant to General Information Section 25, Supply Service Options, customers served under this Service Classification will choose from different electric rate choices offered by the Company as described below. NYSEG will 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 Access choice is the NYSEG Supply Service (NSS).
The Company shall provide Delivery Service regardless of the customer’s Supply Service Option.

1. ESCO Supply Service (ESS)

This Retail Access choice includes fixed charges for NYSEG delivery service and a Transition Charge (Non-Bypassable Charge [“NBC”]). Supply service shall be provided by an Energy Services Company (ESCO). Customers that elect ESS and receive a Consolidated Bill shall not be subject to the Bill Issuance Charge.

RATE: (Per Meter, Per Month)

Delivery Service:

<table>
<thead>
<tr>
<th></th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>07/01/16</td>
</tr>
<tr>
<td>Customer Charge</td>
<td>$20.41</td>
</tr>
<tr>
<td>Energy Charge (All kWh, per kWh)</td>
<td></td>
</tr>
<tr>
<td>“Day” Service</td>
<td>$0.03469</td>
</tr>
<tr>
<td>“Night” Service</td>
<td>$0.03469</td>
</tr>
</tbody>
</table>

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

Bill Issuance Charge (per bill): $0.81, as described in General Information Section 16.J.

Rate Adjustment Mechanism (“RAM”):
All kWh, per kWh See RAM Statement, as described in Rule 38
SERVICE CLASSIFICATION NO. 9 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS

Reserved for Future Use

Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 9 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS

NYSEG will provide Delivery and Commodity Service for the Non-Retail Access choice.

2. Reserved for Future Use
SERVICE CLASSIFICATION NO. 9 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (Cont'd.)

NYSEG will provide Delivery and Commodity Service for the Non-Retail Access choice.

2. Reserved for Future Use
SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS

3. NYSEG Supply Service (NSS)

This Non-Retail Access choice includes fixed charges for NYSEG delivery service, a Transition Charge (Non-Bypassable Charge ["NBC"]), a fluctuating commodity charge for electricity supplied by the Company, and a Merchant Function Charge.

RATE: (Per Meter, Per Month)

Delivery Service:

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>07/01/16</th>
<th>05/01/17</th>
<th>05/01/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Charge</td>
<td>$20.41</td>
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<td>$20.41</td>
</tr>
<tr>
<td>Energy Charge (All kWh, per kWh)</td>
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<td></td>
</tr>
<tr>
<td>“Day” Service</td>
<td>$0.03469</td>
<td>$0.03759</td>
<td>$0.04058</td>
</tr>
<tr>
<td>“Night” Service</td>
<td>$0.03469</td>
<td>$0.03759</td>
<td>$0.04058</td>
</tr>
</tbody>
</table>

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

Commodity Service:
The charge for Electric Power Supply provided by the Company shall fluctuate each month as further described in General Information Section 25.I.C., Calculation of the Commodity Charge.

Merchant Function Charge:
All kWh, per kWh
See Merchant Function Charge Statement

Bill Issuance Charge (per bill):
$0.81, as described in General Information Section 16.J.

Rate Adjustment Mechanism ("RAM"): All kWh, per kWh
See RAM Statement, as described in Rule 38
SERVICE CLASSIFICATION NO. 9 (Continued)

MERCHANT FUNCTION CHARGE:
The Merchant Function Charge reflects the administrative costs of obtaining electricity supply, as further explained in General Information Rule 25.D. Customers whose electricity is supplied by an ESCO are not charged for this service.

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 Rule 4). See SBC 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 Rule 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 Rule 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 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 Rule 6 of P.S.C. No. 120 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.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
SPECIAL PROVISIONS:

Reserved for Future Use
SPECIAL PROVISIONS (CONT’D.)

(a) Reserved for Future Use

(b) Fluctuating Loads:

    When service is rendered solely for equipment having a fluctuating or large instantaneous demand, such as X-Rays, welders, etc., and a separate or larger transformer for such service is required, the minimum monthly charge shall be not less than $.50 per KVA of such additional transformer capacity.

(c) Budget Billing:

    Customers may, by signing an application, be billed monthly in accordance with the plan set forth in Section 4-P of P.S.C. No. 119 - Electricity or superseding issues thereof.

(d) Submetering:

    Submetering may be available according to certain conditions as explained in the general information leaves of this schedule, Section 2. Submetering.

(e) Reserved For Future Use
SERVICE CLASSIFICATION NO. 9 (Continued)

SPECIAL PROVISIONS (CONT'D.)

(f) RESERVED FOR FUTURE USE

Issued in compliance with order in Case No. 05-E-1222 dated 08/23/06.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 9 (Continued)

SPECIAL PROVISIONS (CONT'D.)

(f) RESERVED FOR FUTURE USE

Issued in compliance with order in Case No. 05-E-1222 dated 08/23/06.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SPECIAL PROVISIONS: (Cont'd)

(g) Economic Incentives:

   (1) RESERVED FOR FUTURE USE

   (2) Economic Development Zone Incentive ("EDZI")

       Customers served under this service classification may qualify for the EDZI Special Provision. See General
       Information Section 9 of this Schedule for a complete description of the EDZI.

(h) 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 22 of this Schedule and taking service under SC 9. If electricity (kWh) supplied
       by the customer to the Corporation is not metered for the time-differentiated periods, an allocation to each
       TOU period will be done according to allocation factors as described herein. Sixty-seven percent (67%) of
       the excess electricity (kWh) supplied by the customer will be considered “Day” kWh. Thirty-three percent
       (33%) of the excess electricity (kWh) supplied by the customer will be considered “Night” kWh.
SERVICE CLASSIFICATION NO. 9 (Continued)

SPECIAL PROVISIONS: (Cont’d)

(i) Wind Electric Service Option:

This option is for a customer qualifying for the Wind Non-Residential Service Option pursuant to General Information Section 23 of this Schedule and taking service under S.C. No. 9. If electricity (kWh) supplied by the customer to the Company is not metered for the time-differentiated periods, an allocation to each TOU period shall be done according to allocation factors as described herein. 67% of the excess electricity (kWh) supplied by the customer shall be considered “Day” kWh. 33% of the excess electricity (kWh) supplied by the customer shall be considered “Night” kWh.

(j) Solar Non-Residential Electric Service Option:

This option is for a customer qualifying for the Solar Non-Residential Generating Service Option pursuant to General Information Section 27 of this Schedule and taking service under S.C. No. 9. If electricity (kWh) supplied by the customer to the Company is not metered for the time-differentiated periods, an allocation to each TOU period shall be done according to allocation factors as described herein. 67% of the excess electricity (kWh) supplied by the customer shall be considered “Day” kWh. 33% of the excess electricity (kWh) supplied by the customer shall be considered “Night” kWh.

(k) Electric Hybrid Generating System Option:

This option is for a customer qualifying for the Electric Hybrid Generating System Option pursuant to General Information Section 24 of this Schedule and taking service under S.C. No. 9.

(l) Fuel Cell Electric Service Option:

This option is for a customer qualifying for the Fuel Cell Service Option pursuant to General Information Section 30 of this Schedule and taking service under S.C. No. 9.

(m) Micro-Hydroelectric Service Option:

This option is for a customer qualifying for the Micro-Hydroelectric Service Option pursuant to General Information Section 31 of this Schedule and taking service under S.C. No. 9.

(n) Excelsior Jobs Program (“EJP”):

Service taken under this Service Classification may be eligible for the rates and charges under the Excelsior Jobs Program.

For a customer qualifying for the EJP program, such customer shall be subject to the otherwise applicable standard service classification rates, including the Transition Charge (Non-Bypassable Charge [“NBC”]), Commodity, Merchant Function, and Bill Issuance Charges, if applicable, in accordance with the standard NSS or ESS rates for this Service Classification. All customers are also required to pay the System Benefits Charges, Reliability Support Services (RSS), and Revenue Adjustment Mechanism (RAM) in accordance with the standard NSS or ESS rates for this Service Classification. Qualifying load shall be exempt from the Revenue Decoupling Mechanism (“RDM”).

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
SERVICE CLASSIFICATION NO. 10

APPLICABLE TO THE USE OF SERVICE FOR:

All customers with qualifying (or non-qualifying, as applicable) cogeneration or small power production facilities, with or without the requirement for supplemental service, back-up service, or maintenance service who choose to sell all or any excess energy to the Corporation whether or not engaging in simultaneous purchase, under the appropriate Service Classification, from the Corporation.

The Corporation's meters registering any sales by the Corporation to such customers will be, at the sole discretion of the Corporation, modified or installed in such a configuration as to prevent reverse registration. Prior to connection and operation, such a customer must sign an agreement and have approved by the Corporation the installation and all protective devices required under the Corporation's policy for such service. Also, prior to interconnection under this service classification, the customer shall pay for all costs of interconnection and protective devices which exceed the costs ordinarily incurred in rendering the same Contract Demand under the otherwise applicable Service Classification.

Appropriate agreement(s) in the form(s) of those on file with the Public Service Commission, signed by the customer and accepted by the Corporation, is (are) required under this classification.

Customers over 100 Kw with firm or long term Capacity and Energy for sale to the Corporation may negotiate a Special Contract with the Corporation.

Customers may request a copy of NYSEG's guidelines for soliciting short-term capacity by writing to: Manager, Power Supply, New York State Electric & Gas Corporation, 4500 Vestal Parkway East, Binghamton, New York 13903.

CHARACTER OF SERVICE:

Continuous - Alternating Current, 60 Cycle;
Secondary Service at 120, 120/208, 120/240, 208, 240, 240/416, 277/480, or 480 Volts; or
Primary (Distribution) Service at 2,400, 4,160, 4,800, 7,200, 8,320, 12,000, 12,470, 13,200, or 34,500 (Regulated) Volts; or
Subtransmission Service at 34,500 or 46,000 (both Non-Regulated) Volts; or
Transmission Service at 115,000 Volts and above (Non-Regulated*). Single Phase (not to exceed 15 kW or Three Phase. (Characteristics depend upon available circuits and equipment.)

SERVICE CLASSIFICATION NO. 10 (Continued)

RATE TO BE PAID BY THE CORPORATION: (Per Month)

\[ \sum_{h=1}^{n} \left( (\text{Day Ahead LBMP}_h \times S_h) + (\text{Real Time LBMP}_h \times (Q_h - S_h)) - \text{Incurred Cost}_h \right) \]

Whereby:

1) If the customer’s generator is PTID Eligible but has not obtained a PTID

Day Ahead Locational Based Marginal Price (“Day Ahead LBMP\(_h\)”) is the NYISO hourly Day Ahead LBMP applicable to the lowest priced generator bus in the same zone as the customer’s generator:

Hourly Real Time Locational Based Marginal Price (“Real Time LBMP\(_h\)”) is the NYISO hourly Real Time LBMP applicable to the lowest priced generator bus in the same zone as the customer’s generator;

Incurred Cost is any charges assessed by the NYISO applicable to the customer;

\( S_h \) is the Cogenerated Energy quantity scheduled, in MWh, by NYSEG upon the written request of cogenerator, for each specific hour, in the NYISO in the Day Ahead market, whereas the cogenerator shall provide a written schedule by noon two business days prior to the day for which the schedule applies;

\( Q_h \) is the Cogenerated Energy quantity delivered, in MWh, to the Delivery Point for a specific hour;

\( h \) is the respective hour in each month; and

\( n \) is the number of hours in each month.

2) If the customer’s generator has a PTID

Day Ahead Locational Based Marginal Price (“Day Ahead LBMP\(_h\)”) is the NYISO hourly Day Ahead LBMP applicable to the customer’s generator bus;

Hourly Real Time Locational Based Marginal Price (“Real Time LBMP\(_h\)”) is the NYISO hourly Real Time LBMP applicable to the customer’s generator bus;

Incurred Cost is any charges assessed by the NYISO applicable to the customer;

\( S_h \) is the Cogenerated Energy quantity scheduled, in MWh, by NYSEG upon the written request of cogenerator, for each specific hour, in the NYISO in the Day Ahead market, whereas the cogenerator shall provide a written schedule by noon two business days prior to the day for which the schedule applies;

\( Q_h \) is the Cogenerated Energy quantity delivered, in MWh, to the Delivery Point for a specific hour;

\( h \) is the respective hour in each month; and

\( n \) is the number of hours in each month.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 10 (Continued)

RATE TO BE PAID BY THE CORPORATION: (Per Month)

3) If the customer’s generator is not PTID Eligible:

   **Day Ahead Locational Based Marginal Price ("Day Ahead LBMP<sub>h</sub")** is the NYISO hourly Day Ahead LBMP applicable to the NYISO Zone in which the customer’s generator is located

   **Hourly Real Time Locational Based Marginal Price ("Real Time LBMP<sub>h</sub")** is the NYISO hourly Real Time LBMP applicable to the NYISO Zone in which the customer’s generator is located;

   **Incurred Cost** is any charges assessed by the NYISO applicable to the customer;

   **S<sub>h</sub>** is the Cogenerated Energy quantity scheduled, in MWh, by NYSEG upon the written request of cogenerator, for each specific hour, in the NYISO in the Day Ahead market, whereas the cogenerator shall provide a written schedule by noon two business days prior to the day for which the schedule applies;

   **Q<sub>h</sub>** is the Cogenerated Energy quantity delivered, in MWh, to the Delivery Point for a specific hour;

   **h** is the respective hour in each month; and

   **n** is the number of hours in each month.

*Capacity Payment*, if applicable: (UCAP<sub>m</sub> * Capacity<sub>m</sub>)

   **Unforced Capacity ("UCAP<sub>m</sub>")** is the Market-Clearing Price of capacity in $/kW-month as determined from the NYISO's monthly UCAP Auction.

   **Monthly Capacity ("Capacity<sub>m</sub>")** is the Unforced Capacity ("UCAP") recognized by the NYISO as applicable to capability requirements for the respective calendar month, as set forth in the NYISO Tariff, in kW.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
(1) Qualifying small, random suppliers of energy, limited to secondary single phase service voltage, may elect to sell their output to the Company on a non-time differentiated basis. Deliveries will be measured using a standard kWh meter and energy payments based on the average NYISO Day Ahead LBMP applicable to the zone within which deliveries are made;

(2) In the event the NYISO does not require a Dependable Maximum Net Capability, any applicable capacity payment shall be made based upon the LBMCP_m divided by the number of hours in the respective month, times the energy delivered for the respective month.

(3) The customer may be entitled to receive direct payment from the NYISO for (1) NYISO Tariff Schedule II Reactive Supply and Voltage Control, and/or (2) NYISO Tariff Schedule III Regulation and Frequency Response, and/or (3) NYISO Tariff Schedule V Operating Reserve, and/or (4) NYISO Tariff Schedule VI Black Start Service. Payment from the NYISO for each of these services is conditioned upon the customers meeting the requirements of the NYISO and making the appropriate contractual arrangements directly with the NYISO.
SERVICE CLASSIFICATION NO. 10 (Continued)

Customer Charge and Demand Charge:  (Per Meter, Per Month)

A customer taking service solely under this Service Classification shall pay the appropriate customer charges and demand charges listed in Service Classification No. 11, Standby Service.
MINIMUM CHARGE:

The minimum charge for service under this Service Classification is the applicable Contract Demand Charge plus the Customer Charge.

INCREASES IN RATES AND CHARGES:

The rates and charges to customers under this Service Classification, including fuel adjustment and minimum charges, 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 in accordance with Service Classification No. 11, Standby Service.
SERVICE CLASSIFICATION NO. 10 (Continued)

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 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 year and thereafter until terminated by 48 hours' notice. A customer resuming service within one year will be reassigned the same contract demand.

SPECIAL PROVISIONS:
A. The customer and the Company shall agree as to the operating mode, interconnection and equipment specifications as set forth in "Requirements for the Installation of Electric Services and Meters" (superseding "Specifications for Electric Installations") and the Company’s requirements for parallel operation of on-site non-utility generation as on file with the Public Service Commission. The Commission may review the specifications and arbitrate, if a dispute should arise.

B. The Company will be relieved of its obligation to purchase energy during any period in which the Company suffers a System Emergency. In such circumstances, the Company will notify the customer to cease supplying energy to the Company. For purposes of this Provision, a System Emergency is defined as a condition which is imminently likely to endanger life or property or result in significant disruption of service to any customer.

C. Service under this Special Provision will no longer be available to new customers after July 5, 1989.) A customer with a Secondary Voltage, Single Phase generating facility, with a nameplate capacity rating of 15 kW or less and choosing to sell all or any excess energy to the Company without time differentiation may operate under the terms of the Company’s "Alternate Generation Agreement" applicable to such facilities which is on file with the Public Service Commission. Instead of the energy charge under the "Rate to Be Paid By the Corporation" customers will receive payment of $0.02447 per kilowatt-hour, for the energy sold during all hours. Under this provision the Meter Charge or Customer Charge will be $3.00 or $4.50 per month, respectively, instead of such charges under the "Rate to Be Paid By the Customer".
SPECIAL PROVISIONS: (Cont’d)

D. At the time of Agreement, the customer with on-site non-utility generation facilities greater than 15 kW may choose to pay the Corporation actual charges for maintenance, as they may occur, on interconnection equipment paid for by the customer and owned by the Corporation; or the customer may choose to pay an annual carrying charge of 9% (subject to review in the Corporation's rate case proceedings) on the total investment in such equipment which shall be payable upon the initiation of service and on the annual anniversary of the agreement for service hereunder. If the interconnection costs charged by the Corporation are disputed by the customer, such dispute will be subject to arbitration by the Public Service Commission.

E. Customers who deliver power to the Corporation at subtransmission or transmission service voltage during on-peak periods and, at the same site, also purchase power from the Corporation at such voltages during on-peak periods shall, to the extent such purchases are matched by deliveries of power to the Corporation, have the following demand payments added to the on-peak kWh payments above:

<table>
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<tr>
<th>Service Level</th>
<th>Demand Charge</th>
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</thead>
<tbody>
<tr>
<td>Transmission</td>
<td>$.01074/kWh</td>
</tr>
<tr>
<td>Subtransmission</td>
<td>$.01095/kWh</td>
</tr>
</tbody>
</table>

Customers electing to deliver power to the Corporation under this Special Provision are required to record both deliveries and purchases with suitable time differentiated kilowatt-hour metering devices satisfactory to the Corporation.

F. If the measured demand exceeds the current Contract Demand by 10 percent or less, a surcharge equal to 12 times the monthly Contract Demand charge for such excess demand will apply to that monthly bill, and the Contract Demand will then be determined in accordance with the provisions of Determination of Demand above.

If the measured demand exceeds the current Contract Demand by more than 10 percent, a surcharge equal to 24 times the monthly Contract Demand charge for such excess demand will apply to that monthly bills, and the Contract Demand will then be determined in accordance with the provisions of Determination of Demand above.

G. A customer operating a qualifying facility, construction of which commenced prior to November 9, 1978, may negotiate a special contract with the Corporation, at the termination of any existing contract or when permitted by an express provision in the contract, to begin to receive a rate that would in 1986 be set at 50% of full avoided costs and in each succeeding year would increase by five percentage points such that by 1996 all such facilities would receive 100% of full avoided costs.
STANDBY SERVICE RATE
SERVICE CLASSIFICATION NO. 11

APPLICABLE TO USE OF SERVICE FOR:
Delivery of standby service for any customer where all or a portion of a customer's electricity is supplied from On-Site Generating facilities (“OSG”) without using the Company’s delivery system (defined as the distribution and/or transmission system, regardless of voltage or functional classification). An OSG, whether owned by the customer or a third party, can produce electricity primarily to serve the customer’s native load, to sell in the wholesale market or to carry out a combination thereof. Such OSG may be connected with the Company’s delivery system for parallel operation, or operate under the control of a single pull, double-throw switch (or similar device). For customers with multiple electrical services, this tariff applies to each of the customer’s electrical services that are not electrically isolated from the OSG. All separately metered electricity supply and/or delivery service not otherwise served by the OSG (e.g., separate delivery service to the facility’s guardhouse or other facilities electrically isolated from the OSG) will be provided under the Otherwise Applicable Service Classification (“OASC”).

Before a customer is allowed to install and operate an OSG, the customer must submit design and operating information for the proposed OSG in accordance with the appropriate application and review process described in NYSEG’s “Bulletin 86-01 Requirements for Independent Power Producers of Electricity” (“Bulletin 86-01”).

A customer operating OSG with a total nameplate rating equal to, or expected to be equal to, fifteen percent (15%) or less of its maximum potential demand served by all sources, as that maximum potential demand is reasonably determined by the Company, will take service under the OASC. NYSEG may disqualify a customer from Standby Service if the Company can demonstrate that the customer (a) has installed OSG with a total nameplate rating greater than fifteen percent (15%) of its load, but (b) has not operated or is not operating that OSG in a material manner in order to serve the customer’s load.

A customer who declines service under this tariff is required to electrically isolate its facility from the Company’s delivery system, and the Company will not be required to maintain electric delivery service to that customer’s facility. A facility will be deemed “electrically isolated” as set forth below.

Electrically Isolated Loads:
If a customer elects to electrically isolate and serve its load with OSG without connection to the Company’s system, the isolated portion of that customer’s load will not be subject to standby service -- provided that the customer executes a letter agreement with the Company that provides for the following:

a) the Company will be entitled to inspect the electrical configuration of the OSG facilities upon a customer’s request for this exemption;

b) if, at any time, the Company has a reasonable concern that the customer’s OSG facilities have not remained isolated from the Company’s system, the Company is authorized to inspect the electrical configuration of such facilities, and the customer must cooperate with that inspection; and

Issued in compliance with orders in Case No. 02-E-0779 dated 07/30/03 and Case No. 03-E-1552 dated 11/28/03.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
Electrically Isolated Loads: (Cont’d.)

c) if the Company discovers, through billing data and/or the inspection of the customer’s OSG facilities, that any of the electrically isolated OSG facilities have been reconnected to NYSEG’s system, the Company will backbill the customer. A contract demand will be established by the Company and the backbill will consist of NYSEG’s standby service rates, applied back to the time of OSG interconnection to NYSEG’s system, and include the surcharge as set forth below in the Unauthorized OSG Interconnection by Customer section, with Late Payment Charges as applicable, set forth in the Terms of Payment section of this Service Classification.

A facility shall be considered “electrically isolated” if: (a) the electrical points of contact where interconnection with the Company could occur are separated and at least 100 feet from any other interconnected electrical service utilized by such customer, or (b) the isolated service is not within the same building or structure as any other interconnected electrical service of the customer and not housed within a common enclosure with other interconnected breakers and/or fuses of the customer. At its discretion, the Company may consider a separation of less than 100 feet between a customer’s facilities and the Company’s system to be electrically isolated if there are site-specific configuration circumstances warranting such a determination.

Compliance:
A customer taking standby service shall comply with all federal, state and local laws, regulations, and requirements, including the requirements listed below in the Interconnection Requirements paragraphs 1 through 8.

STANDBY SERVICE NOT APPLICABLE TO:

1a. Net Metered Solar Generating System Option
Standby service will not apply to a customer operating solar generating equipment and taking service under General Information Section 26 or 27.

1b. Farm Waste Electric Generating System Option
Standby service will not apply to a customer taking service under the Farm Waste Electric Generating System Option, provided such customer meets criteria for service under General Information Section 22 of this Schedule.

1c. Net Metered Wind Generating System Option
Standby service will not apply to a customer operating wind generating equipment and taking service under General Information Section 23.

1d. Net Metered Hybrid Generating System Option
Standby service will not apply to a customer operating hybrid generating equipment and taking service under General Information Section 24.
STANDBY SERVICE NOT APPLICABLE TO: (Cont’d)

2. Emergency Generators
Standby service rates shall not apply to customers whose only generating units are emergency generators. For the purpose of this Service Classification, a generating unit must meet each of the following two criteria to be considered an emergency generator:

a) The emergency generator is used exclusively for purposes of supplying electrical power to the customer when electrical power is not available from the Company.

b) No load is served by the emergency generator while electric service is available from the Company to the premises, except for regularly scheduled tests when the generator is required to operate under load or participation in the NYISO’s Special Case Resource Program or the Emergency Demand Response Program.

Excluding residential customers, the customer must submit a one-line diagram and specification sheet on the switch for the OSG for the Company’s review and approval. In addition, the customer must enter into a letter agreement with the Company stating that the emergency generator shall not operate in parallel with the utility’s system.

The customer shall maintain an operating log for each emergency generator indicating the date, time, hours, and purpose of each operation of each such facility. This log shall be made available to the Company upon request. Failure to do so shall permit the Company to (a) bill the customer under this Service Classification for the amount of standby service which the Company can reasonably estimate was delivered to and/or available to the customer during times when the Company did not charge the customer for such service due to this emergency generator exemption; and (b) establish a contract demand for one year, and thereafter as applicable.

3. New York Power Authority Allocations
Standby service shall not apply to that portion of a customer’s delivery service associated with the delivery of electricity supply pursuant to applicable New York Power Authority (“NYPA”) programs.

OPTIONAL STANDBY SERVICE RATE PHASE-IN IS APPLICABLE TO:

1. Existing Customers
An Existing Customer is defined as a customer operating OSG (including renewable, Combined Heat and Power (“CHP”), and wholesale generators) as of January 31, 2003, or who, as of that date:

a) had commenced construction of an OSG facility;
b) had been named by the New York State Energy Research and Development Authority (“NYSERDA”) as an OSG project grant recipient as listed in the Commission Order Establishing Electric Standby Rates, issued and effective July 30, 2003, Attachment A, paragraph 4;
c) had been named by NYSERDA as an OSG feasibility study grant recipient, as listed in the Commission Order Establishing Electric Standby Rates, issued and effective July 30, 2003, Attachment A, paragraph 4;
d) had received a binding, written financial commitment from a lending institution for the construction and installation of an OSG; or
e) was being billed at standby rates as of January 31, 2003 as set forth in this Service Classification at Special Provision (d) below.

To remain qualified as an Existing Customer, a customer under (c) or (d), above, must commence operation of its OSG by May 31, 2019.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
OPTIONAL STANDBY SERVICE RATE PHASE-IN IS APPLICABLE TO: (Cont’d.)

2. A Designated Technology Customer is defined as:

   a) A customer operating OSG that exclusively uses one or more of the following technologies and/or fuels for producing electricity: fuel cell; wind; solar thermal; photovoltaics (“PV”); sustainable managed biomass; tidal; geothermal; or methane waste, or

   b) Uses small, efficient types of combined heat and power (“CHP”) generation that do not exceed 15 MW of capacity, and conforms with the following criteria:

      i. Sized to serve no more than 100% of the Customer’s maximum potential demand.
      ii. Annual overall efficiency should not be less than 60% based on the higher heating value (HHV) of the fuel input;
      iii. The usable thermal energy component should absorb a minimum of 20% of the CHP facility’s total usable annual energy output;
      iv. The size limits shall be determined by aggregating the nameplate ratings of the generation units, installed at its location, excluding emergency generation units used only during a utility distribution system failure or in response to the NYISO Emergency Demand Response Program;
      v. An eligible CHP facility shall demonstrate to the utility that its generation installation meets an environmental standard of no more than 4.4 lbs./MWh of NOx emissions, based on its electrical and mechanical output or its rated capacity, or as updated by the Department of Environmental Conservation (DEC);
      vi. Customers shall comply with the above criteria and;

1. Monitor and record efficiency data, which shall include the annual quantity of fuel fired, the annual quantity of generated electricity, and the annual quantity of the thermal heat recovered in the heat recovery process.
2. Have records available for utility inspection,
3. Retain the records for a 3-year period.
4. An additional meter will be required for CHP generating facilities greater than 1 MW. The customer shall be required to install, at their expense, revenue grade, interval meters to measure generation output and additional telemetry equipment capable of transmitting operational information to the Company.
SERVICE CLASSIFICATION NO. 11 (Continued)

OPTIONAL STANDBY SERVICE RATE PHASE-IN IS APPLICABLE TO: (Cont’d.)

3. Phase-In and/or Designated Technology Exemption of Standby Rates
   a) Existing Customers shall take service under this Service Classification and be subject to a phase-in of these standby service rates, as discussed below, unless they make a one-time election to take service at the full standby service rates, providing 30 days’ written notice, no later than March 1, 2004, subject to the availability of interval metering, if applicable.
   b) Customers whose facilities are placed in service between July 29, 2003 and May 31, 2019, and meet the definitions of both Existing Customers and Designated Technology Customers, shall be considered to be Designated Technology Customers for purposes of this section.
   c) Designated Technology Customers whose facilities are placed in service between July 29, 2003 and May 31, 2019, have the option to make a one-time election to be permanently exempt from standby service rates rather than electing the phase-in or full standby service rates upon providing 30 days’ written notice before commencing operation of the OSG facility; provided, however, that if operation commenced between July 29, 2003 and January 31, 2004, the Customer must make its one-time election by March 1, 2004.
   d) Existing OSG projects that upgrade by installing designated technology components, or hybrid projects comprised in part of designated technology components, are eligible for the designated technology exemption only for the upgraded components and only if those components are separately metered.
SERVICE CLASSIFICATION NO. 11 (Continued)

OPTIONAL STANDBY SERVICE RATE PHASE-IN IS APPLICABLE TO: (Cont’d.)

CHARACTER OF SERVICE
Continuous - Alternating Current, 60 cycle; Secondary Service at 120, 120/208, 120/240, 208, 240, 240/416, 277/480, or 480 Volts; or Primary (Distribution) Service at 2,400, 4,160, 4,800, 7,200, 8,320, 12,000, 12,470, 13,200, or 34,500 (Regulated) Volts; or Subtransmission Service at 34,500 or 46,000 (Both Non-Regulated) Volts; or Transmission Service at 115,000 Volts and above (Non-Regulated). Single or Three Phase. (Characteristics depend upon available circuits and equipment.)
SERVICE CLASSIFICATION NO. 11 (Continued)

RATES (Per Month)

Delivery Charges: There are up to four rate components of the delivery rate portion of this Standby Service: Customer Charge, Contract Demand Charge, As-Used Demand Charge, and Reactive Charge, as applicable.

Transition Charge (Non-Bypassable Charge [“NBC”]): The customer’s Otherwise Applicable Service Classification (“OASC”) shall determine the applicable charge. The charge shall apply to all kWh, per kWh.

Rate Adjustment Mechanism (“RAM”):
Per As-Used Demand See RAM Statement, as described in Rule 38

Service Classification Nos. 1 and 6:

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<tr>
<td>Contract Demand Charge</td>
<td>Delivery Charge</td>
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<tr>
<td>As-Used Demand Charge</td>
<td>(All kWh, per kWh)</td>
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</table>

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

Bill Issuance Charge (per bill): $0.81, as described in General Information Section 16.J

Rate Adjustment Mechanism (“RAM”):
Per As-Used Demand See RAM Statement, as described in Rule 38

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<td>Delivery Charge</td>
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<tr>
<td>As-Used Demand Charge</td>
<td>(All kWh, per kWh)</td>
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Transition Charge (Non-Bypassable Charge [“NBC”]):
All kWh, per kWh See Transition Charge Statement

Bill Issuance Charge (per bill): $0.81, as described in General Information Section 16.J.
S.C. No. 8 – Residential

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**Customer Charge**

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**As-Used Demand Charge**

All kWh, per kWh

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**Transition Charge (Non-Bypassable Charge [“NBC”]):**

All kWh, per kWh

See Transition Charge Statement

**Bill Issuance Charge (per bill):**

$0.81, as described in General Information Section 16.J.

**Rate Adjustment Mechanism (“RAM”):**

Per As-Used Demand

See RAM Statement, as described in Rule 38

S.C. No. 9 - General Service

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**Customer Charge**

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**As-Used Demand Charge**

All kilowatt-hours, per kilowatt-hour

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<tr>
<th>Day/night</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery Charge</td>
<td>$0.01275, $0.01368, $0.01479</td>
</tr>
</tbody>
</table>

**Transition Charge (Non-Bypassable Charge [“NBC”]):**

All kWh, per kWh

See Transition Charge Statement

**Bill Issuance Charge (per bill):**

$0.81, as described in General Information Section 16.J.

**Rate Adjustment Mechanism (“RAM”):**

Per As Used Demand

See RAM Statement, as described in Rule 38

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 11 (Continued)

RATES (Per Month) (Cont’d.)

Delivery Rates for Service Classification No. 12:

<table>
<thead>
<tr>
<th>S.C. No. 12 – Residential Time of Use</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Meter</td>
<td>07/01/16 05/01/17 05/01/18</td>
</tr>
<tr>
<td><strong>Customer Charge</strong></td>
<td></td>
</tr>
<tr>
<td>Delivery Charge</td>
<td>$24.11 $24.11 $24.11</td>
</tr>
<tr>
<td><strong>Contract Demand Charge</strong></td>
<td></td>
</tr>
<tr>
<td>Delivery Charge</td>
<td>$83.52 $88.51 $93.97</td>
</tr>
<tr>
<td><strong>As-Used Demand Charge</strong></td>
<td></td>
</tr>
<tr>
<td>(All kWh, per kWh)</td>
<td></td>
</tr>
<tr>
<td>Delivery Charge</td>
<td>$0.0152 $0.0161 $0.0171</td>
</tr>
<tr>
<td>On-Peak</td>
<td></td>
</tr>
<tr>
<td>Mid-Peak</td>
<td>$0.0152 $0.0161 $0.0171</td>
</tr>
<tr>
<td>Off-Peak</td>
<td>$0.0152 $0.0161 $0.0171</td>
</tr>
</tbody>
</table>

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

Bill Issuance Charge (per bill): $0.81, as described in General Information Section 16.J.

Rate Adjustment Mechanism (“RAM”):
Per As-Used Demand See RAM Statement, as described in Rule 38

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
## Service Classification No. 2 with Interval Metering:

<table>
<thead>
<tr>
<th>Service</th>
<th>Effective Date</th>
<th>07/01/16</th>
<th>05/01/17</th>
<th>05/01/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer Charge</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delivery Charge</td>
<td>$7.27</td>
<td>$8.41</td>
<td>$9.57</td>
<td></td>
</tr>
<tr>
<td>Meter Ownership Charge</td>
<td>$0.76</td>
<td>$0.76</td>
<td>$0.76</td>
<td></td>
</tr>
<tr>
<td>Meter Service Charge</td>
<td>$10.37</td>
<td>$10.37</td>
<td>$10.37</td>
<td></td>
</tr>
<tr>
<td>Meter Data Service Charge</td>
<td>$3.61</td>
<td>$3.61</td>
<td>$3.61</td>
<td></td>
</tr>
</tbody>
</table>

| **Contract Demand Charge**    |                         |          |          |          |
| (Contract kW, per kW)         |                         |          |          |          |
| Delivery Charge               | $4.66                   | $4.87    | $5.08    |

| **As-Used Demand Charge**     |                         |          |          |          |
| (Per kW, per day)             |                         |          |          |          |
| Delivery Charge               | $0.21271                | $0.22259 | $0.23174 |

| **Reactive Charge**           |                         |          |          |          |
| Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour | $0.00078 | $0.00078 | $0.00078 |

### Transition Charge (Non-Bypassable Charge [“NBC”]):

All kWh, per kWh: See Transition Charge Statement

### Bill Issuance Charge (per bill):

$0.81, as described in General Information Section 16.J.

### Rate Adjustment Mechanism (“RAM”):

Per As-Used Demand: See RAM Statement, as described in Rule 38
## RATES (Per Month) (Cont’d.)

Service Classification No. 3 with Interval Metering:

<table>
<thead>
<tr>
<th>SC 3P – Primary</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Meter</td>
<td>07/01/16</td>
</tr>
<tr>
<td>Customer Charge</td>
<td></td>
</tr>
<tr>
<td>Delivery Charge</td>
<td>$61.43</td>
</tr>
<tr>
<td>Meter Ownership Charge</td>
<td>$1.74</td>
</tr>
<tr>
<td>Meter Service Charge</td>
<td>$21.54</td>
</tr>
<tr>
<td>Meter Data Service Charge (Meter Reading)</td>
<td>$6.30</td>
</tr>
<tr>
<td>Contract Demand Charge (Contract kW, per kW)</td>
<td>$3.84</td>
</tr>
<tr>
<td>Delivery Charge</td>
<td></td>
</tr>
<tr>
<td>As-Used Demand Charge (Per kW, per day)</td>
<td>$0.18684</td>
</tr>
<tr>
<td>Delivery Charge</td>
<td></td>
</tr>
</tbody>
</table>

**Reactive Charge**

Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour

$0.00078 $0.00078 $0.00078

**Transition Charge (Non-Bypassable Charge [“NBC”]):**

All kWh, per kWh

See Transition Charge Statement

**Bill Issuance Charge (per bill):**

$0.81, as described in General Information Section 16.J.

**Rate Adjustment Mechanism (“RAM”):**

Per As-Used Demand

See RAM Statement, as described in Rule 38

<table>
<thead>
<tr>
<th>SC 3S – Subtransmission</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Meter</td>
<td>07/01/16</td>
</tr>
<tr>
<td>Customer Charge</td>
<td></td>
</tr>
<tr>
<td>Delivery Charge</td>
<td>$274.63</td>
</tr>
<tr>
<td>Meter Ownership Charge</td>
<td>$1.65</td>
</tr>
<tr>
<td>Meter Service Charge</td>
<td>$22.31</td>
</tr>
<tr>
<td>Meter Data Service Charge (Meter Reading)</td>
<td>$4.55</td>
</tr>
<tr>
<td>Contract Demand Charge (Contract kW, per kW)</td>
<td>$1.58</td>
</tr>
<tr>
<td>Delivery Charge</td>
<td></td>
</tr>
<tr>
<td>As-Used Demand Charge (Per kW, per day)</td>
<td>$0.14281</td>
</tr>
<tr>
<td>Delivery Charge</td>
<td></td>
</tr>
</tbody>
</table>

**Reactive Charge**

Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour

$0.00078 $0.00078 $0.00078

**Transition Charge (Non-Bypassable Charge [“NBC”]):**

All kWh, per kWh

See Transition Charge Statement

**Bill Issuance Charge (per bill):**

$0.81, as described in General Information Section 16.J.

**Rate Adjustment Mechanism (“RAM”):**

Per As-Used Demand

See RAM Statement, as described in Rule 38

Issued in compliance with Order in Case 15-E-0283, dated June 15, 2016.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
### SERVICE CLASSIFICATION NO. 11 (Continued)

#### RATES (Per Month) (Cont’d.)

Service Classification No. 7 with Interval Metering:

<table>
<thead>
<tr>
<th>SC 7-1 Secondary</th>
<th>Effective Date</th>
<th>Per Meter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>07/01/16</td>
<td></td>
</tr>
<tr>
<td>Customer Charge</td>
<td>$123.18</td>
<td>$130.24</td>
</tr>
<tr>
<td>Delivery Charge</td>
<td>$1.33</td>
<td>$1.33</td>
</tr>
<tr>
<td>Meter Ownership Charge</td>
<td>$15.90</td>
<td>$15.90</td>
</tr>
<tr>
<td>Meter Service Charge</td>
<td>$5.98</td>
<td>$5.98</td>
</tr>
<tr>
<td>Meter Data Service Charge (Meter Reading)</td>
<td>$130.24</td>
<td>$1.33</td>
</tr>
<tr>
<td></td>
<td>05/01/17</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$123.18</td>
<td>$130.24</td>
</tr>
<tr>
<td></td>
<td>$1.33</td>
<td>$1.33</td>
</tr>
<tr>
<td></td>
<td>$15.90</td>
<td>$15.90</td>
</tr>
<tr>
<td></td>
<td>$5.98</td>
<td>$5.98</td>
</tr>
<tr>
<td></td>
<td>05/01/18</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$123.18</td>
<td>$130.24</td>
</tr>
<tr>
<td></td>
<td>$1.33</td>
<td>$1.33</td>
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<tr>
<td></td>
<td>$15.90</td>
<td>$15.90</td>
</tr>
<tr>
<td></td>
<td>$5.98</td>
<td>$5.98</td>
</tr>
<tr>
<td>Contract Demand Charge</td>
<td>$3.50</td>
<td>$3.67</td>
</tr>
<tr>
<td>(Contract kW, per kW)</td>
<td>$3.50</td>
<td>$3.67</td>
</tr>
<tr>
<td>Delivery Charge</td>
<td>$3.50</td>
<td>$3.67</td>
</tr>
<tr>
<td>As-Used Demand Charge</td>
<td>$0.17863</td>
<td>$0.18733</td>
</tr>
<tr>
<td>(Per kW, per day)</td>
<td>$0.17863</td>
<td>$0.18733</td>
</tr>
<tr>
<td>Delivery Charge</td>
<td>$0.17863</td>
<td>$0.18733</td>
</tr>
<tr>
<td>Reactive Charge</td>
<td>$0.00078</td>
<td>$0.00078</td>
</tr>
<tr>
<td>Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
<td>$0.00078</td>
<td>$0.00078</td>
</tr>
</tbody>
</table>

**Bill Issuance Charge (per bill):** $0.81, as described in General Information Section 16.J.

**Rate Adjustment Mechanism (“RAM”):**

<table>
<thead>
<tr>
<th>SC 7-2 Primary Distribution</th>
<th>Effective Date</th>
</tr>
</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>$442.24</td>
</tr>
<tr>
<td>Delivery Charge</td>
<td>$467.18</td>
</tr>
<tr>
<td>Meter Ownership Charge</td>
<td>$4.97</td>
</tr>
<tr>
<td>Meter Service Charge</td>
<td>$46.24</td>
</tr>
<tr>
<td>Meter Data Service Charge (Meter Reading)</td>
<td>$17.94</td>
</tr>
<tr>
<td>Contract Demand Charge</td>
<td>$3.09</td>
</tr>
<tr>
<td>(Contract kW, per kW)</td>
<td>$3.09</td>
</tr>
<tr>
<td>Delivery Charge</td>
<td>$3.25</td>
</tr>
<tr>
<td>As-Used Demand Charge</td>
<td>$0.13911</td>
</tr>
<tr>
<td>(Per kW, per day)</td>
<td>$0.14664</td>
</tr>
<tr>
<td>Delivery Charge</td>
<td>$0.15357</td>
</tr>
<tr>
<td>Reactive Charge</td>
<td>$0.00078</td>
</tr>
<tr>
<td>Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
<td>$0.00078</td>
</tr>
</tbody>
</table>

**Bill Issuance Charge (per bill):** $0.81, as described in General Information Section 16.J.

**Rate Adjustment Mechanism (“RAM”):**

Issued in compliance with Order in Case 15-E-0283, dated June 15, 2016.
### SERVICE CLASSIFICATION NO. 11 (Continued)

**RATES (Per Month) (Cont’d.)**

Service Classification No. 7 with Interval Metering:

<table>
<thead>
<tr>
<th>SC 7-3 Subtransmission</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Meter</td>
<td>07/01/16</td>
</tr>
<tr>
<td></td>
<td>05/01/17</td>
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<tr>
<td></td>
<td>05/01/18</td>
</tr>
<tr>
<td><strong>Customer Charge</strong></td>
<td></td>
</tr>
<tr>
<td>Delivery Charge</td>
<td>$995.06</td>
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<tr>
<td></td>
<td>$1048.59</td>
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<tr>
<td></td>
<td>$1103.22</td>
</tr>
<tr>
<td>Meter Ownership Charge</td>
<td>$4.68</td>
</tr>
<tr>
<td></td>
<td>$4.68</td>
</tr>
<tr>
<td></td>
<td>$4.68</td>
</tr>
<tr>
<td>Meter Service Charge</td>
<td>$46.09</td>
</tr>
<tr>
<td></td>
<td>$46.09</td>
</tr>
<tr>
<td></td>
<td>$46.09</td>
</tr>
<tr>
<td>Meter Data Service Charge (Meter Reading)</td>
<td>$15.56</td>
</tr>
<tr>
<td><strong>Contract Demand Charge</strong> (Contract kW, per kW)</td>
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<tr>
<td>Delivery Charge</td>
<td>$0.82</td>
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<td></td>
<td>$0.86</td>
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<tr>
<td></td>
<td>$0.91</td>
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<tr>
<td><strong>As-Used Demand Charge</strong> (Per kW, per day)</td>
<td></td>
</tr>
<tr>
<td>Delivery Charge</td>
<td>$0.05466</td>
</tr>
<tr>
<td></td>
<td>$0.05768</td>
</tr>
<tr>
<td></td>
<td>$0.06052</td>
</tr>
<tr>
<td><strong>Reactive Charge</strong></td>
<td></td>
</tr>
<tr>
<td>Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
<td>$0.00078</td>
</tr>
</tbody>
</table>

**Transition Charge (Non-Bypassable Charge [“NBC”]):**

All kWh, per kWh

See Transition Charge Statement

**Bill Issuance Charge (per bill):**

$0.81, as described in General Information Section 16.J.

**Rate Adjustment Mechanism (“RAM”):**

Per As Used Demand

See RAM Statement, as described in Rule 38

<table>
<thead>
<tr>
<th>SC 7-4 Transmission</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Meter</td>
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<tr>
<td></td>
<td>05/01/17</td>
</tr>
<tr>
<td></td>
<td>05/01/18</td>
</tr>
<tr>
<td><strong>Customer Charge</strong></td>
<td></td>
</tr>
<tr>
<td>Delivery Charge</td>
<td>$2164.81</td>
</tr>
<tr>
<td></td>
<td>$2288.06</td>
</tr>
<tr>
<td></td>
<td>$2413.80</td>
</tr>
<tr>
<td>Meter Ownership Charge</td>
<td>$18.32</td>
</tr>
<tr>
<td></td>
<td>$18.32</td>
</tr>
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<td></td>
<td>$18.32</td>
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<tr>
<td>Meter Service Charge</td>
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<td></td>
<td>$154.73</td>
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<tr>
<td></td>
<td>$154.73</td>
</tr>
<tr>
<td>Meter Data Service Charge (Meter Reading)</td>
<td>$54.78</td>
</tr>
<tr>
<td><strong>Contract Demand Charge</strong> (Contract kW, per kW)</td>
<td></td>
</tr>
<tr>
<td>Delivery Charge</td>
<td>$0.10</td>
</tr>
<tr>
<td></td>
<td>$0.11</td>
</tr>
<tr>
<td></td>
<td>$0.12</td>
</tr>
<tr>
<td><strong>As-Used Demand Charge</strong> (Per kW, per day)</td>
<td></td>
</tr>
<tr>
<td>Delivery Charge</td>
<td>$0.03520</td>
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<tr>
<td></td>
<td>$0.03768</td>
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<tr>
<td></td>
<td>$0.03957</td>
</tr>
<tr>
<td><strong>Reactive Charge</strong></td>
<td></td>
</tr>
<tr>
<td>Reactive kilovolt-ampere hours, per billing reactive kilovolt-ampere hour</td>
<td>$0.00078</td>
</tr>
</tbody>
</table>

**Transition Charge (Non-Bypassable Charge [“NBC”]):**

All kWh, per kWh

See Transition Charge Statement

**Bill Issuance Charge (per bill):**

$0.81, as described in General Information Section 16.J.

**Rate Adjustment Mechanism (“RAM”):**

Per As-Used Demand

See RAM Statement, as described in Rule 38

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 11 (Continued)

Billing of Reactive Kilovolt Hours:
Unless it is determined by the Company that system operations require that the customer take reactive power from the Company's system, all metered reactive energy used by the customer shall be billed at the rate specified above. This includes reactive power used during normal operation of the customer's OSG or Wholesale Generator as well as that used when the Company provides standby service.

Rate Periods:
For a customer whose OASC is S.C. Nos. 2, 3, or 7, On-Peak hours are defined as the hours between 7:00 A.M. and 10:00 P.M. (Local Time), Monday through Friday with the exception of the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Those hours not designated as On-Peak are defined as Off-Peak. Other rate periods are as defined in the customer’s OASC, i.e., S.C. Nos. 8, 9 or 12.

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 Rule 4). See SBC Statement.

REVENUE DECOUPLING MECHANISM ("RDM"):
A customer billed at OASC as provided in this Service Classification shall be subject to a Revenue Decoupling Adjustment (as explained in this Schedule, General Information Rule 7). See RDM Statement. The RDM Adjustment for the customer’s OASC shall apply.

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 Rule 3). See RSS Statement.

RATE ADJUSTMENT MECHANISM ("RAM"): The RAM shall be applied per As Used Demand delivered under this Service Classification, (as explained in this schedule, General Information Rule 38). See RAM Statement.

MERCHANT FUNCTION CHARGE:
The Merchant Function Charge reflects the administrative costs of obtaining electricity supply. Customers whose electricity is supplied by an ESCO are not charged for this service.

MINIMUM CHARGE:
The minimum charge per month for service under this Service Classification is the Contract Demand Charge if applicable, plus the Customer Charge and the Bill Issuance Charge, if applicable, as listed above. For demand-billed customers with less than 50 kW Contract Demand, the minimum charge is the Customer Charge, plus the Bill Issuance Charge, if applicable.

INCREASE IN RATES and CHARGES:
The rates and charges under this Service Classification, including the minimum charge, shall be increased by a surcharge pursuant to General Information Rule 6 of this Schedule to reflect the taxes applicable within the municipality where the customer takes service.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
TERMS OF PAYMENT:

Bills rendered under this Service Classification are payable on receipt. A late payment charge of one and one half percent (1 1/2%) per month will be billed on all amounts not paid by the "past due" date. For additional information, see NYSEG’s tariff, PSC No. 119 – Electricity, Section 4.
SERVICE CLASSIFICATION NO. 11 (Continued)

TERM
A minimum of one year and thereafter until terminated by 60 days written notice.

DETERMINATION OF DEMAND

Contract Demand:
A customer will have the option of accepting a contract demand (maximum potential demand at the facility to be provided standby service) established by the Company or the customer can establish the contract demand. Regardless of which party sets the customer’s contract demand, upon the occurrence of an exceedence, the contract demand will be increased (“ratcheted”) by the amount of the exceedence.

1. Company Established Contract Demand:
For an Existing Customer, the contract demand will be established based on the maximum metered demand of that customer over the twelve (12) months prior to February 1, 2004, taking into consideration the output of existing OSG, the addition and/or removal of equipment, and the coincidence and diversity of the customer’s load.

For a new customer (i.e., a customer for whom historical metered demand does not exist) or an Existing Customer where historical metered demand does not represent a reasonable contract demand level, the contract demand will be determined, in consultation with the customer, by assessing the nameplate rating of the equipment to be served, and projecting, through an engineering analysis, the coincidence and diversity of the customer’s load.

The contract demand of a wholesale generator, who is connected to and provides electricity supply to a customer who would otherwise take delivery service from the Company, will be set at the maximum potential metered demand of the station loads of the wholesale generator when the generator is out of service, plus the maximum potential metered demand of the customer connected to, and generally provided electricity supply by, the wholesale generator.

Surcharge: Where a customer elects to have NYSEG establish the contract demand, that customer will not incur a surcharge if that contract demand is exceeded except as described in this paragraph. However, a customer shall be obligated to provide NYSEG with written notice prior to the installation or removal of equipment, or any change in operation, that can be reasonably expected to change in a material fashion (defined as a change of more than twelve and one-half percent (12.5%)) the system capacity required to deliver electricity to the customer. If the customer fails to provide written notice, and the customer exceeds the contract demand, NYSEG has the right to include a surcharge in the customer's subsequent bill equal to the product of the applicable Contract Demand Charge, the amount of the exceedence, and the number of billing periods from, and including, the billing period in which the customer first commenced taking standby service from NYSEG at the understated contract demand, i.e., the billing period in which the customer installed the equipment or changed the operation that caused the exceedence (as demonstrated by the customer to NYSEG in writing), through the billing period that includes the date of the exceedence. If the customer fails to demonstrate in writing when it installed such equipment or changed such operation, then NYSEG will apply the surcharge, each month, from the first billing period in which the customer commenced taking standby service from NYSEG.

Issued in compliance with orders in Case No. 02-E-0779 dated 07/30/03 and 01/23/04, and Case No. 03-E-1552 dated 11/28/03.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 11 (Continued)

Contract Demand: (Cont’d.)

2. Customer Established Contract Demand:
A customer may establish the contract demand based on analysis and expected operation of the customer’s facility and OSG. Subsequently, a customer may revise its contract demand downward by written notice to NYSEG once every twelve (12) months. The revised contract demand level cannot be set at a level lower than the highest demand metered in the previous twelve (12) months unless the customer demonstrates in writing to NYSEG's reasonable satisfaction that electricity-consuming equipment is removed or disabled in place (not simply disconnected). NYSEG has the right to inspect the premises of a customer upon reasonable notice and at reasonable times in order to confirm that such energy-consuming equipment has been so removed or disabled in place (not simply disconnected).

A customer may revise its contract demand upwards at any time upon written notice to NYSEG.

Surcharge: Where the customer elects to establish its own contract demand and then exceeds the contract demand, a surcharge will apply to the current monthly bill equal to the following:

<table>
<thead>
<tr>
<th>Exceeding Contract Demand</th>
<th>Exceeding Contract Demand</th>
<th>Exceeding Contract Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% to less than 10%</td>
<td>10% to less than 20%</td>
<td>20% or more occurs</td>
</tr>
<tr>
<td>12 times the sum of the</td>
<td>18 times the sum of the</td>
<td>24 times the sum of the</td>
</tr>
<tr>
<td>monthly contract demand</td>
<td>monthly contract demand</td>
<td>monthly contract demand</td>
</tr>
<tr>
<td>charge amount calculated</td>
<td>charge amount calculated</td>
<td>charge amount calculated</td>
</tr>
<tr>
<td>for the excess demand</td>
<td>for the excess demand</td>
<td>for the excess demand</td>
</tr>
</tbody>
</table>

Where a new customer installs OSG, or an Existing Customer initially adds OSG, during a two (2) year period beginning February 1, 2004, one exceedence in the first year of OSG operation of less than ten percent (10%) in magnitude would be excused from the above surcharge. For purposes of this paragraph, the OSG shall be deemed to have commenced operation when the OSG first delivers electricity to serve the customer’s load.

As-Used Demand:

1. The as-used demand for customers with interval metering will be the aggregate of the highest daily 15-minute integrated demand (measured in kW) occurring during the On-Peak hours as defined in “Rate Periods” above, during the billing period. If in any billing period, there is a failure in the metered usage data acquisition that results in the failure to record daily as-used demand data, NYSEG reserves the right to estimate reasonable values for the missing data for recording and billing purposes.

2. The daily as-used demand, for customers without demand metering, and not billed at the OASC will be the monthly metered kilowatt hours.

Issued in compliance with orders in Case No. 02-E-0779 dated 07/30/03 and Case No. 03-E-1552 dated 11/28/03

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 11 (Continued)

METERING AND COMMUNICATION REQUIREMENTS:

1. A customer who provides telecommunications to the meter shall be responsible for all costs associated with the installation, operation and maintenance of the telecommunications line, including but not limited to, all telecommunications service bills. If the Company is unable to read the meter through a customer provided connection, and NYSEG has determined that the problem is not caused by the Company’s equipment, the customer shall be responsible for resolution of the problem. The customer shall also be responsible for reimbursement of NYSEG expenses incurred for visits to the meter location to ascertain the cause of the problem.

2. A customer with demand metering and with 50 kW or more of Contract Demand is required to have interval metering and remote meter reading capability. Such customers will be responsible for the following:
   a) the incremental costs of interval metering equipment and its installation;
   b) the costs of providing remote meter reading capability through telecommunications to and from the meter; and
   c) the costs associated with resolution of any problems with the telecommunications provider, including reimbursing the Company for any expenses the Company incurs.

3. Meter Credits:
   A customer may be eligible for only one of the following. A customer eligible for one of the following meter credits will receive a monthly credit as described below:
   a) Competitive Metering Option: A qualified customer that selects the Competitive Metering Option must comply with the requirements specified in PSC No. 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 No. 119, or superseding issues thereof.
   b) Meter Owned By Customer, Installed And Maintained By The Company: A qualified customer that elects to own its own meters, as described in Section 3.A.2 of PSC No. 119 - Electricity, Service Connections, Meter Owned by Customer, Installed and Maintained by the Corporation, 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 the Competitive Metering option above.
SERVICE CLASSIFICATION NO. 11 (Continued)

METERING AND COMMUNICATION REQUIREMENTS: (CONT’D.)

3. Meter Credits: (Cont’d.)
   c) Customers That Have Fully Paid for Meter and Instrument Transformation Costs: A demand billed customer taking service under these standby rates that has fully paid for their meter and instrument transformation costs shall receive a monthly credit to the currently applicable monthly Customer Charge as well as a portion of the standby service transition dollars allocated for collection in the Customer Charge. Below are the customer credits:

<table>
<thead>
<tr>
<th>Customer Charge Credit</th>
<th>S.C. 2</th>
<th>S.C. 3P</th>
<th>S.C. 3S</th>
<th>S.C. 7-1</th>
<th>S.C. 7-2</th>
<th>S.C. 7-3</th>
<th>S.C. 7-4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Date 07/01/16</td>
<td>$1.23</td>
<td>$30.63</td>
<td>$38.54</td>
<td>$3.02</td>
<td>$25.48</td>
<td>$55.37</td>
<td>$284.89</td>
</tr>
<tr>
<td>Effective Date 05/01/17</td>
<td>$1.23</td>
<td>$30.63</td>
<td>$38.54</td>
<td>$3.02</td>
<td>$25.48</td>
<td>$55.37</td>
<td>$284.89</td>
</tr>
<tr>
<td>Effective Date 05/01/18</td>
<td>$1.23</td>
<td>$30.63</td>
<td>$38.54</td>
<td>$3.02</td>
<td>$25.48</td>
<td>$55.37</td>
<td>$284.89</td>
</tr>
</tbody>
</table>

ELECTRICITY SUPPLY

A Customer taking service under S.C. No. 11 shall have the choice of the following Supply Service Options for its Electricity Supply:

For customers whose OASC is Service Classification No. 1, 6, 8, 9, or 12:
   1. ESCO Supply Service (ESS); or
   2. NYSEG Supply Service (NSS)

For a customer whose OASC is Service Classification No. 2, 3, or a Service Classification No. 7:
   1. ESCO Supply Service (ESS); or
   2. NYSEG Supply Service (NSS); or
   3. Hourly Pricing*

* As set forth in General Information Section 25.I.F., Customer Eligibility Criteria, certain demand billed customers are required to participate in Mandatory Hourly Pricing.

Terms and conditions applicable to these rate choices are explained in the customer’s OASC. All customers served under this Service Classification taking electricity supply service from the Company shall be required to pay a Merchant Function Charge as set forth in the customer’s OASC.

INTERCONNECTION REQUIREMENTS

1. A customer may connect an OSG facility for parallel operation with the Company’s delivery system, or isolate for operation with standby service provided by a wholesale generator by means of a double throw transfer switch, or another transfer switching scheme acceptable to the Company.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
INTERCONNECTION REQUIREMENTS (CONT’D.)

2. A customer must complete an Application for Service and must operate in compliance with standards and requirements set forth in either the Distributed Generation Interconnection Requirements found in Section 9 of Schedule P.S.C. No. 119, and in Addendum-SIR of P.S.C. No. 119 entitled “New York State Standard Interconnection Requirements for New Generation Units 5 MW or Less Connected in Parallel with Utility Distribution Systems” or the Company’s Bulletin 86-01, entitled “Requirements for Independent Power Producers of Electricity.” In addition, customers must execute either the New York State Standardized Contract For Interconnection of New Distributed Generation Units With Capacity 5 MW or Less Connected in Parallel with Utility Distribution Systems (“SIR Contract”), as contained within Addendum-SIR of P.S.C. No. 119, or the applicable contract.

3. A customer and the Company shall agree as to the operating mode, interconnection and equipment specifications for the OSG facility pursuant to either a or b below, as may be amended or superseded:
   a) the SIR Contract contained within Addendum-SIR of P.S.C. No. 119, or
   b) the Company’s Bulletin 86-01.

4. A customer shall be responsible for all costs associated with its OSG interconnection as set forth in the requirements listed in paragraphs 3a or 3b above, as applicable.

5. Contribution toward CT & VT Costs: For installations requiring Current Transformers (CTs) and Voltage (or Potential) Transformers (VTs), to the extent that a customer, as part of its original interconnection with the Company’s system, paid for and installed CTs and VTs or compensated the Company for those costs up-front, the customer shall receive a monthly bill credit, as mutually agreed upon by the Company and the customer.

6. Maintenance Schedules: A customer applying for standby service with a standby contract demand greater than 2,000 kW is required to provide the Company with a schedule of OSG maintenance. A schedule must include the dates and times for the beginning and ending of all planned outages. A customer may revise the schedule one month prior to the effective date of the outage. However, modifications communicated with less than one month’s notice shall not be allowed, unless the customer obtains Company approval. The annual provision of planned maintenance schedules by the customer shall take place on October 1 of each year for standby service for the following calendar year. Such schedule shall be utilized by the Company for planning functions. This provision does not take precedence with respect to any OSG maintenance provision in a power purchase agreement that may be in effect with the Company.
SERVICE CLASSIFICATION NO. 11 (Continued)

INTERCONNECTION REQUIREMENTS (CONT’D.)

7. At the time of agreement, the customer with an OSG greater than 300 kVA, excluding Net Metered Farm Waste Generators less than 2,000 kW, may select the payment method for paying the Company operations and maintenance charges on the interconnection equipment paid for by the customer but owned by the Company. The customer may select to pay either the actual charges for maintenance, as they may occur, or the customer may choose to pay an annual carrying charge of 9% (subject to review in the Company’s rate case proceedings) on the total investment in such equipment. The operations and maintenance costs on such equipment is billed on a monthly basis pursuant to the applicable contract or agreement.

8. NAERC Guidelines: A customer taking standby service shall comply with all reliability criteria, guidelines, and procedures established by the North American Electric Reliability Council (“NAERC”) as the same may be amended or superseded. Such compliance is necessary to ensure the continued reliability of North America's interconnected electric transmission electric systems.

UNAUTHORIZED OSG INTERCONNECTION BY CUSTOMER:

If a customer connects OSG to its electric system without: (a) notifying the Company; and (b) executing an appropriate standby service Application, and thereafter the Company discovers the interconnection, the Company shall backbill the customer for all standby service rendered subsequent to the estimated connection of such OSG.

In preparing such backbills, the Company shall assess a standby service contract demand surcharge provision equal to two times that which would otherwise be computed under the Determination of Demand Provision, paragraph 1 (Company Established Contract Demand) of this Service Classification, and assume the standby contract demand had been inappropriately established at 0 kW.

SPECIAL PROVISIONS

(a) Demand Metered Customer With Less Than 50 kW of Contract Demand:
A customer with a contract demand of less than 50 kW without interval metering shall be billed at the OASC. A customer with a contract demand of less than 50 kW can choose to be served at the standby rate, provided that the customer pays all one-time and ongoing costs associated with the purchase and installation of an interval meter, and telecommunication equipment as discussed in the “Metering and Communications Requirements” section of this S.C. No. 11 tariff.

(b) Small Customer Exclusion:
Small customers, defined as those customers qualifying for service under Service Classification Nos. 1, 6, 8, 9, and 12, shall be billed at the OASC rate instead of the standby service rate in S.C. No. 11. This exemption shall be discontinued on May 31, 2019, or upon the date that 200 such standby customers located east of Total East or 250 such standby customers west of Total East are billed under this provision, provided, however, that the discontinuance of this exemption shall not affect any customer that received the exemption prior to the date of discontinuance, which customers shall continue to receive the exemption until the conclusion of the phase-in described in the “Optional Standby Service Rate Phase-ins is Applicable to” section of this Service Classification.
SPECIAL PROVISIONS (CONT’D.)
(c) Individually Negotiated Contracts

1) Individual Agreements for Customers Considering Isolation

NYSEG is authorized to offer individually negotiated agreements for standby service to customers that may install back-up generation and disconnect their premises from the NYSEG system in lieu of taking tariff standby service. The customer must document that it can physically, environmentally, and economically isolate from NYSEG's grid by installing and operating back-up generation at a lower cost than paying for standby service, and that such option is the alternative the customer will select if NYSEG does not offer a negotiated rate alternative. At a minimum, the negotiated rate agreement must provide for recovery of NYSEG’s marginal costs plus a reasonable contribution to NYSEG's recovery of its fixed costs. NYSEG will use its existing authorization under Service Classification No. 14 to gain contribution from any customer presently isolated from its delivery system. NYSEG will respond to a customer application for a negotiated rate agreement within ninety (90) days of its receipt, with a negotiated rate agreement offer or a written explanation for its rejection of the application. Either party may seek from Staff a non-binding resolution of a dispute over the negotiation of such an individual rate agreement.

In the event of a conflict between any provisions of an agreement negotiated pursuant to this authority and any provision of NYSEG’s Joint Proposal filed April 7, 2003 in Case 02-E-0779 or the standby rates provisions of NYSEG’s tariff on the same subject, the provision of the negotiated agreement shall take precedence and control.

2) Individual Agreements for Customers Selling into the Wholesale Market

NYSEG is authorized to offer individually negotiated agreements for standby service with customers that sell into the market, or to a third party, no less than 90% of their site's energy output, net of station power requirements, from generators located on the site having a total name plate rating equal to or greater than 50 MW. The rates and charges negotiated will reflect, where applicable, the characteristics of the specific interconnection arrangements, including, but not limited to, the voltage level of the interconnection, whether the interconnection is bi-directional, and the nature of the NYSEG facility where the generator is interconnected with the NYSEG system.

NYSEG will respond to a customer application for a negotiated rate agreement within ninety (90) days of its receipt with a negotiated rate agreement offer or a written explanation for its rejection of the application. Either party may seek from Staff a non-binding resolution of a dispute over the negotiation of such an individual rate agreement.

In the event of a conflict between any provision of an agreement negotiated pursuant to this authority and any provision of NYSEG’s Joint Proposal filed April 7, 2003 in Case 02-E-0779 or the standby rates provisions of NYSEG’s tariff on the same subject, the provision of the negotiated agreement shall take precedence and control.
SERVICE CLASSIFICATION NO. 11 (Continued)

SPECIAL PROVISIONS (CONT’D.)

(d) Reserved for Future Use
SERVICE CLASSIFICATION NO. 11 (Continued)

(d) Reserved for Future Use

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 11 (Continued)

(d) Reserved for Future Use

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 11 (Continued)

(d) Reserved for Future Use
SERVICE CLASSIFICATION NO. 11 (Continued)

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SERVICE CLASSIFICATION NO. 11 (Continued)

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SERVICE CLASSIFICATION NO. 11 (Continued)

(d) Reserved for Future Use
SERVICE CLASSIFICATION NO. 11 (Continued)

(d) Reserved for Future Use
SERVICE CLASSIFICATION NO. 11 (Continued)

(d) Reserved for Future Use
(d) Reserved for Future Use

(e) Recharge New York (“RNY”) Power Program

Customers who qualify for the Recharge NY Power Program pursuant to Section 11 of the General Information Section of this Schedule, shall have such power billed in accordance with the provision therein as provided in Section 11, the maximum metered demand shall be used in the load share calculation for all standby customer. The customer's power requirements in excess of the RNY Power allocation shall be billed in accordance with the ESCO Supply Service rate or the NYSEG Supply Service rate of this Service Classification.

(f) Reliability Credit

1. Standby Customers shall be provided an opportunity to earn credits against their contract demand charges. The credit would be earned by reliably reducing load below the contract demand over a defined Measurement Period.

2. For purposes of this Credit, the Measurement Period is weekdays from 7:00 am to 10:00 pm during the previous two consecutive full Summer periods; provided however, that the first year in which a Customer seeks a Credit, the Measurement Period is weekdays from 7:00 am to 10:00 pm during the previous full Summer period only. The Measurement Period shall exclude Outage Events, as selected by the Customer, as well holidays (i.e., Independence Day (observed) if it falls on a weekday and Labor Day).

For purposes of this Credit, the Summer Period is June 1 through September 30.

3. Outage Events are up to three time blocks for each Summer Period that, in aggregate, are comprised of no more than five 24-hour time periods, excluding weekends and holidays. If a time block contains a time period of less than 24 hours, the time period shall be rounded up to the next 24 hours (i.e., the 24-hour periods cannot be applied on a partial basis). If a time block encompasses a holiday or weekend, the start of the 24-hour period on the day prior to the holiday or weekend until the same hour the next business day shall be considered to be a single 24-hour period.

4. The Credit for any Measurement Period shall be equal to the difference between the Customer’s Contract Demand in kW, and the Customer’s highest kW demand recorded on the Customer’s revenue meter (net of generation), multiplied by the Contract Demand Delivery Charge per kW that is in effect on October 1 of the year in which the Credit is determined. The Credit shall be applied to the Customer’s successive 12 monthly customer bills commencing in November until the following October. If a customer is billed under Special Provision (g) of this Service Classification, the Outage Events for all Recipient Accounts shall be the same and shall be specified by the Sponsor. Each Recipient Account’s Credit shall be calculated individually.

5. A customer seeking a Credit must request such credit by October 14 of each year for which the Credit it sought and, at the same time, specify the Outage Events the Customer requests to be excluded from the measurement period. If October 14 falls on a weekend or holiday, the Company shall accept requests until the next business day. Prior to October 14, the Company shall notify Customers of their need to request the applicable Credit.

6. Credits provided to standby customers shall be recovered from all customers, including standby customers, through the applicable Transition Charge [Non-Bypassable Charge (“NBC”)].
(g) Standby Offset

A customer with qualifying on-site generation connected to the Company’s distribution system may use its excess generation to supply two or more Standby Supplied Accounts as long as all of the requirements in this provision are met.

Definitions

Standby Generation Account: The customer meter where the generating equipment is located and interconnected with the Company’s distribution system.

Standby Supplied Accounts: Additional meters billed under this standby service class designated by the Standby Generation Account for the application of excess generation that meet the Standby Supplied Account requirements listed below.

Eligibility

1. Standby Generation Account

   a. The Standby Generation Account’s generating facility must (i) have a total nameplate rating of over 2 MW but no more than 20 MW, and (ii) meet eligibility criteria for designation as efficient “combined heat and power” pursuant to the order of the Public Service Commission, dated January 23, 2004, in Case 02-E-0779, except with respect to maximum generating capacity. The generating facility may have more than one generating unit so long as the aggregate nameplate rating conforms to (i) above.

   b. The Standby Generation Account must have interval metering and meet the interval metering and telecommunication requirements of this service class before they will be eligible for the offset provision. The meter and telecommunications for the account associated with the Standby Generation Account’s excess generation must be provided and maintained at the customer’s expense, and must be operational before the customer may take service under this provision.

   c. All interconnection requirements of this service class must be met before an account will be eligible for the offset provision. In addition, the interconnection must be technically and economically practicable, and the connection and operation of such facility shall not jeopardize the safety or operation of the Company’s system, facilities, or other customers.

   d. Accounts that are eligible for net metering, remote net metering, community net meter, standby exemption, NYPA allocations including RNY, or economic development rates are not eligible for this offset provision.

   e. Each Standby Generation Account will be billed with the applicable standby service rates in this service class.

   f. Each Standby Generation Account is eligible for the supply options as described in this service class.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
(g) Standby Offset
   Eligibility (Cont’d)

1. Standby Generation Account (Cont’d)

   g. Customers that have a Standby Generation Account may take service under the Company’s Buy Back service, Service Classification No. 10, if the export of the generating facility exceeds the aggregate registered kWh usage on the Standby Generation Accounts and the Standby Supplied Accounts.

2. Standby Supplied Accounts
   The Standby Supplied Accounts designated by the Standby Generation Account customer must all be established in a single customer’s name (“Single Party Offset”); or

   a. The Standby Generation Account and the Standby Supplied Accounts designated by the customer to receive the output of the generating facility may be established in two or more customer names (“Multi-Party Offset”), provided all of the following conditions are met:

      (1) at least one of the Standby Supplied Accounts must be in the same customer name as the Standby Generation Account (owner or operator of the generating facility or (“Sponsor”)) and have a Contract Demand equal to 10% or more of the nameplate rating of the generating facility;

      (2) the Sponsor shall be responsible for coordinating the interconnection and operation of the generating facility with the Company; and

      (3) at the time of application under the Multi-Party Offset, the Sponsor must submit a signed application for all Standby Supplied Accounts to be supplied by the output of the Sponsor’s generating facility (“Recipient Accounts”) and a signed Percentage Allocation Form. Both forms shall be available on the Company’s website.

   b. The Standby Generation Account, and the Standby Supplied Accounts must all be located within a single “premises.” For purpose of this Special Provision only, “premises” is defined as follows:

      (1) Under Single Party Offset, “premises” shall mean “a parcel of land; or more than one building and/or parcel of land proximate to each other if there is common use, whether or not such buildings or parcels are separated by public or private roads.” All of the Standby Supplied Accounts must be connected to the Company’s distribution system. All standby accounts must be within the same load zone as determined by the Locational Based Market Price. The accounts of a customer whose buildings or parcels of land are not physically interconnected may meet the definition of a single “premises” upon the customer’s demonstration of proximity and common Company facilities to the Company.

      (2) Under Multi-Party Offset, “premises” shall mean “a single building.”

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
(g) Standby Offset

Eligibility (Cont’d)

2. Standby Supplied Accounts (Cont’d)

   c. Each Standby Supplied Account shall have no other source of generation located on the premises and shall not participate under the provisions of remote net metering, net metering for customer generators, or Community Distributed Generation.

   d. Each Standby Supplied Account and the export of the Standby Generation Account must be separately metered using Commission-approved, revenue grade, interval metering with telecommunications capability. The metering must be compatible with the Company’s metering infrastructure, including compatibility with the Company’s meter reading systems and communication systems.

   e. Each Standby Supplied Account shall be billed with the applicable standby service rates in this service class.

   f. Each Standby Supplied Account must have interval metering and meet the interval metering and telecommunication requirements of this service class before they shall be eligible for the offset provision. The meter and telecommunications for each Standby Supplied Account must be provided and maintained at the customer’s expense, and must be operational before the customer may take service under this provision.

   g. Each Standby Supplied Account is eligible for the supply options as described in this service class.
(g) Standby Offset

3. Billing Applicable to Each Standby Supplied Account
   a. Customer Charge
      The Customer Charge and meter charges for each account (the Standby Generation Account and the
      Standby Supplied Accounts) shall be equal to the customer and meter charges listed in this service class
      plus the additional Customer Charge listed below.
   b. Contract Demand
      The Contract Demand for each account (the Standby Generation Account and the Standby Supplied
      Accounts) shall be determined based on the maximum potential demand on the Company’s system to
      serve that individual account, including the delivery of supply from all sources.

4. For Accounts Supplied under the Single Party Offset:
   For purposes of this Offset Provision, the following definitions apply:

   “Allocated As-used Generator Demand” means, for each Standby Supplied Account supplied by the
   Standby Generating Account’s excess generation, the demand registered on the Standby Supplied Account’s
   meter(s) multiplied by the lower of: (a) 1 or (b) the ratio of the Standby Generating Account’s excess
   generation measured in kilowatts to the sum of demands on the meters of all Standby Supplied Accounts.

   “Allocated Generator Supply” means, for each Standby Supplied Account supplied by the Standby
   Generating Account’s excess generation, the total kWhs on the Standby Supplied Account’s meter(s)
   multiplied by the lower of: (a) 1 or (b) the ratio of the Standby Generating Account’s excess generation
   measured in kWhs to the sum of the kWhs registered on the meters of the Standby Supplied Accounts.

   Allocated As-used Generator Demand and Allocated Generator Supply shall be determined for each 5-
   minute interval. Adjustments shall be made for transformation losses as applicable.

5. For Accounts Supplied under the Multi-Party Offset:
   For purposes of this Offset Provision, the following definitions apply:

   “Allocated As-Used Generator Demand” means, for each Standby Supplied Account, the lower of: (a) the
   demand registered on the Standby Supplied Account or (b) the demand registered on the meter(s) measuring
   the generating facility’s output multiplied by the Standby Supplied Account’s Percentage Allocation. If the
   generating facility’s output multiplied by the Standby Supplied Account’s Percentage Allocation exceeds
   the demand registered on the Standby Supplied Account, the excess amount shall not be redistributed to
   other accounts nor carried forward to the succeeding billing period.

   “Allocated Generator Supply” means, for each Standby Supplied Account, the lower of: (a) the total kWhs
   registered on the Standby Supplied Account’s meter(s) or (b) the total kWhs registered on the meter(s)
   measuring the generating facility’s output multiplied by the Standby Supplied Account’s Percentage
   Allocation. If the generating facility’s output multiplied by the Standby Supplier Account’s Percentage
   Allocation exceeds the kWhs registered on the Recipient Account’s meter(s), the excess amount shall be
   credited to the extent described in Service Classification 11, Special Provision (g)1.b.

ISSUED BY:  Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
(g) Standby Offset

5. For Accounts Supplied under the Multi-Party Offset (Cont’d):

“Percentage Allocation” means the percentage of the generating facility’s output that the Sponsor has allocated to each Standby Supplied Account under the Multi-Party Offset. A single percentage shall be applied to both the Allocated As-Used Generator Demand and the Allocated Generator Supply.

The Percentage Allocations must total 100%, of which the Sponsor must establish:

a. a Percentage Allocation of 10% or more to a single Standby Supplied Account in the Sponsor’s name; and

b. a Percentage Allocation of no less than 5% or more than 90% to each additional Standby Supplied Account. The Standby Supplied Accounts and the Percentage Allocation to each must be assigned in writing by the Sponsor, using the Percentage Allocation Form, at least 30 days before commencing service under the Multi-Party Offset. The Percentage Allocations and the Standby Supplier Accounts may be changed as described on the form. No credits shall be applied if the Sponsor ceases to have a Standby Supplied Account or ceases to own or operate the generating facility. If a Standby Supplied Account is closed, its credits shall be forfeited unless the Company receives a new Form within 30 days of the account’s closure.

6. Each Standby Supplied Account shall be billed under Standby Service rates listed in this service class, as modified below:

a. An additional Customer Charge of $50.00 per account per billing period, shall be applicable to cover incremental billing and administrative costs associated with providing service under this provision.

b. The per-kWh delivery charges and adjustments described in this service class shall be applied to the total kWhs registered on the account’s meter(s) reduced by the Allocated Generator Supply for each 5-minute interval (adjusted for losses as applicable).

c. For each 5-minute interval, the registered demand on the account’s meter(s) shall be reduced by the Allocated Generator Demand for purposes of determining the daily maximum demand that is used for billing As-used Daily Demand Delivery Charges.
(g) Standby Offset

Billing Applicable to Each Standby Supplied Account (Cont’d)

6. Each Standby Supplied Account shall be billed under Standby Service rates listed in this service class, as modified below:(Cont’d)
   
d. If the Customer purchases supply from the Company, the per-kWh supply charges and adjustments described in this service class shall be applied to the total kilowatthours registered on the account’s meter(s) reduced by the Allocated Generator Supply for each 5-minute interval (adjusted for losses as applicable).

7. The Allocated As-used Generator Demand and Allocated Generator Supply shall be assumed to be zero for time periods where there is insufficient interval data available to ascertain that the Generating Facility supplied output to any associated Standby Service account.

8. The Reactive Charge shall be calculated as described in this service class and shall not be adjusted by this provision.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 12

APPLICABLE TO THE USE OF SERVICE FOR:
Existing or new, large residential service customers who have used, or are estimated to use, a minimum of 35,000 KWH during a twelve month period in individual private dwellings, flats or apartments, and such religious customers utilizing service exclusively in connection with religious purposes by a corporation or association organized and conducted in good faith for religious purposes. Applicable also to use exclusively in connection with a community residence for the mentally disabled, as defined in subdivision 28, 28-a, or 28-b of section 1.03 of the mental hygiene law, provided that such residence is operated by a not-for-profit corporation and, if supervisory staff is on site 24 hours a day, that the residence provides living accommodations for 14 or fewer residents. Also applicable to any not-for-profit corporation that is a veterans' organization that owns or leases a post or hall.

After application from a qualified customer, the Corporation will meter and bill all energy used during the On-Peak, Mid-Peak, and Off-Peak periods at the associated rates, as defined below.

CHARACTER OF SERVICE:
Residential:
Continuous - Alternating Current, 60 Cycle; 120, 120/208, or 120/240 volts - Single Phase. (Characteristics depend upon available circuits.)

Religious, Veterans' Organizations, and Community Residence Customers:
Continuous - alternating current, 60 cycle - Single or Three Phase. (Characteristics depend upon available circuits and equipment.)

RATE PERIODS: (Stated in Eastern Standard Time)
Winter: December through February
On-Peak: 7:00 AM to 10:00 AM, Monday through Friday
5:00 PM to 10:00 PM, Monday through Friday
Mid-Peak: 10:00 AM to 5:00 PM, Monday through Friday
10:00 PM to 11:30 PM, Monday through Friday
7:00 AM to 11:30 PM, Saturday, Sunday and Holidays (Defined Below)
Off-Peak: 11:30 PM to 7:00 AM, Monday through Sunday and Holidays

Summer: June through August
On-Peak: 10:00 AM to 6:00 PM, Monday through Friday
Mid-Peak: 7:00 AM to 10:00 AM, Monday through Friday
6:00 PM to 11:30 PM, Monday through Friday
7:00 AM to 11:30 PM, Saturday, Sunday and Holidays
Off-Peak: 11:30 PM to 7:00 AM, Monday through Sunday and Holidays

Off-Season: March, April, May, September, October, November
Mid-Peak: 7:00 AM to 11:30 PM, Monday through Sunday and Holidays
Off-Peak: 11:30 PM to 7:00 AM, Monday through Sunday and Holidays


Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 12 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS:

Pursuant to General Information Section 25, Supply Service Options, customers served under this Service Classification shall choose from different electric rate choices offered by the Company 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 Access choice is the NYSEG Supply Service (NSS).

The Company shall provide Delivery Service regardless of the customer’s Supply Service Option.

1. ESCO Supply Service (ESS)

This Retail Access choice includes fixed charges for NYSEG delivery service and a Transition Charge (Non-Bypassable Charge [“NBC”]). Supply service shall be provided by an Energy Services Company (ESCO). Customers that elect ESS and receive a Consolidated Bill shall not be subject to the Bill Issuance Charge.

RATE: (Per Meter, Per Month)

<table>
<thead>
<tr>
<th>Delivery Service</th>
<th>Effective Date</th>
<th>07/01/16</th>
<th>05/01/17</th>
<th>05/01/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Charge</td>
<td>$24.11</td>
<td>$24.11</td>
<td>$24.11</td>
<td></td>
</tr>
<tr>
<td>Energy Charge</td>
<td>(All kWh, per kWh)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-Peak Service</td>
<td>$0.03551</td>
<td>$0.03749</td>
<td>$0.03951</td>
<td></td>
</tr>
<tr>
<td>Mid-Peak Service</td>
<td>$0.03551</td>
<td>$0.03749</td>
<td>$0.03951</td>
<td></td>
</tr>
<tr>
<td>Off-Peak Service</td>
<td>$0.03551</td>
<td>$0.03749</td>
<td>$0.03951</td>
<td></td>
</tr>
</tbody>
</table>

Transition Charge (Non-Bypassable Charge [“NBC”]):

Bill Issuance Charge (per bill): $0.81, as described in General Information Section 16.J.

Rate Adjustment Mechanism (“RAM”):

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 12 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (Cont'd.)

Reserved for Future Use

Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 12 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (Cont’d.)

*NYSEG will provide Delivery and Commodity Service for the Non-Retail Access choice.*

2. Reserved for Future Use
SERVICE CLASSIFICATION NO. 12 (Continued)

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (Cont'd.)

*NYSEG will provide *Delivery and Commodity Service* for the Non-Retail Access choices.*

Reserved for Future Use

Issued in compliance with order in Case No. 07-E-0479 dated 08/29/07.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS: (Cont'd.)

3. NYSEG Supply Service (NSS)

This Non-Retail Access choice includes fixed charges for NYSEG delivery service, a Transition Charge (Non-Bypassable Charge [“NBC”]), a fluctuating commodity charge for electricity supplied by the Company, and a Merchant Function Charge.

RATE: (Per Meter, Per Month)

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>07/01/16</th>
<th>05/01/17</th>
<th>05/01/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer Charge</strong></td>
<td>$24.11</td>
<td>$24.11</td>
<td>$24.11</td>
</tr>
<tr>
<td><strong>Energy Charge</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(All kWh, per kWh)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-Peak Service</td>
<td>$0.03551</td>
<td>$0.03749</td>
<td>$0.03951</td>
</tr>
<tr>
<td>Mid-Peak Service</td>
<td>$0.03551</td>
<td>$0.03749</td>
<td>$0.03951</td>
</tr>
<tr>
<td>Off-Peak Service</td>
<td>$0.03551</td>
<td>$0.03749</td>
<td>$0.03951</td>
</tr>
</tbody>
</table>

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

Commodity Service:
The charge for Electric Power Supply provided by the Company shall fluctuate each month as further described in General Information Section 25.I.C., Calculation of the Commodity Charge.

Merchant Function Charge:
All kWh, per kWh
See Merchant Function Charge Statement

Bill Issuance Charge (per bill):
$0.81, as described in General Information Section 16.J.

Rate Adjustment Mechanism (“RAM”):
All kWh, per kWh
See RAM Statement, as described in Rule 38
MERCHANT FUNCTION CHARGE:
The Merchant Function Charge reflects the administrative costs of obtaining electricity supply, as further explained in General Information Rule 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 Rule 4). See SBC 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 Rule 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 Rule 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 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 P.S.C. No. 120 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-B of P.S.C. No. 119 - Electricity or superseding issues thereof.)
SERVICE CLASSIFICATION NO. 12 (Continued)

TERM:

Single and Three Phase Service:

Term of Service:
One month and thereafter until terminated by 48 hours’ notice.

Duration of Service:
Customers selecting service under this service classification on or after November 17, 1997, must remain on this rate for one year before transferring to another service classification. Service under this service classification, once terminated by the customer, shall be unavailable to said customer at the same premises for one year from the date of such cancellation.

SPECIAL PROVISIONS:

(a) Multiple Dwellings:
Two or more individual flats, apartments or dwelling units presently supplied service through one meter may be billed under this service classification.

(b) Commercial Use:
When a customer operates a commercial establishment (incidental to his residence) in the same building or on the same premises as his residence and takes his entire service through one meter, this classification shall apply for the entire service only if the connected load in the residential portion exceeds that in the commercial portion, provided that the connected load in the commercial portion does not exceed 1.5 KW. If the reverse is true, the general classification shall apply to the entire service. However, the customer may elect to take service under both the residential and general rates, in which case there shall be a separate meter for the residential portion and a separate meter for the general portion.

(c) Budget Billing:
Customers may, by signing an application, be billed monthly in accordance with the budget plan set forth in Section 4-P of P.S.C. No. 119 - Electricity or superseding issues thereof.

(d) Reserved for Future Use
SERVICE CLASSIFICATION NO. 12 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(d) RESERVED FOR FUTURE USE

(e) RESERVED FOR FUTURE USE

(f) Energy Smart Community ("ESC") Rate Option Pilot
A qualifying customer located within the certain portions of Tompkins County may enroll in the ESC Rate Option Pilot as set forth in Rule 41.
SERVICE CLASSIFICATION NO. 12 (Continued)

SPECIAL PROVISIONS: (Cont'd)

(g) Residential Solar Electric Service Option:

This option is for a customer qualifying for the Residential Solar Electric Service Option pursuant to General Information Section 26 of this Schedule and taking service under SC 12. If electricity (kWh) supplied by the customer to the Corporation is not metered for the time-differentiated periods, an allocation to each TOU period will be done according to the allocation factors as set forth below. For customers billed on time-differentiated rates, if the electricity (kWh) supplied by the customer to the Corporation is not metered for the time-differentiated periods, an allocation to each TOU period will be done according to allocation factors as set forth below:

Winter and summer – December, January, February, June, July, August:
24% [for On-Peak]
45% [for Mid-Peak]
31% [for Off-Peak]

Off-Season – March, April, May, September, October, November:
67% [for Mid-Peak]
33% [for Off-Peak]
SERVICE CLASSIFICATION NO. 12 (Continued)

Reserved for Future Use
SERVICE CLASSIFICATION NO. 12 (Continued)

(g) Residential Solar Electric Service Option: (Cont'd.)

The following generating credit allocations reflect a pro ration to the On-Peak, Mid-Peak, and Off-Peak TOU periods based upon the number of hours in each month the PV generation is estimated to occur during each period. The PV meter outflow is allocated to the various time-differentiated periods according to the allocation factors below and will be prorated for billing periods which cover more than one month.

<table>
<thead>
<tr>
<th>Month</th>
<th>On Peak</th>
<th>Mid Peak</th>
<th>Off Peak</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>13.6%</td>
<td>86.4%</td>
<td></td>
</tr>
<tr>
<td>Feb</td>
<td>29.9%</td>
<td>70.1%</td>
<td></td>
</tr>
<tr>
<td>Mar</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apr</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>97.8%</td>
<td>2.2%</td>
<td></td>
</tr>
<tr>
<td>Jun</td>
<td>44.3%</td>
<td>51.5%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Jul</td>
<td>45.8%</td>
<td>51.7%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Aug</td>
<td>45.6%</td>
<td>54.4%</td>
<td></td>
</tr>
<tr>
<td>Sep</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oct</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nov</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec</td>
<td>15.8%</td>
<td>84.2%</td>
<td></td>
</tr>
</tbody>
</table>

At the end of the year, or annualized over the period that service is supplied under this provision, the value of any credit remaining on a customer's account for excess electricity produced by the customer-generator shall be paid to the customer at the Corporation's avoided cost for energy. Payment will occur in the form of a voucher which will be issued to the customer-generator, for use in offsetting any of the issuing utility's bills directed to that customer during the year following the date of the voucher.
(h) 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 22 of this Schedule and taking service under SC 12. For customers billed on time-differentiated rates, if the electricity (kWh) supplied by the customer to the Corporation is not metered for the time-differentiated periods, an allocation to each TOU period will be done according to allocation factors as set forth below:

**Winter and summer – December, January, February, June, July, August:**
- 24% [for On-Peak]
- 45% [for Mid-Peak]
- 31% [for Off-Peak]

**Off-Season – March, April, May, September, October, November:**
- 67% [for Mid-Peak]
- 33% [for Off-Peak]
(i) Wind Electric Service Option:

This option is for a customer qualifying for the Wind Electric Service Option pursuant to General Information Section 23 of this Schedule and taking service under S.C. No. 12. For customers billed on time-differentiated rates, if the electricity (kWh) supplied by the customer to the Company is not metered for the time-differentiated periods, an allocation to each TOU period will be done according to allocation factors as set forth below:

Winter and summer – December, January, February, June, July, August:
24% [for On-Peak]
45% [for Mid-Peak]
31% [for Off-Peak]

Off-Season – March, April, May, September, October, November:
67% [for Mid-Peak]
33% [for Off-Peak]

(j) Electric Hybrid Generating System Option:

This option is for a customer qualifying for the Electric Hybrid Generating System Option pursuant to General Information Section 24 of this Schedule and taking service under S.C. No. 12.

(k) 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 29 of this Schedule and taking service under S.C. No. 12.

(l) Fuel Cell Electric Service Option:

This option is for a customer qualifying for the Fuel Cell Service Option pursuant to General Information Section 30 of this Schedule and taking service under S.C. No. 12.

(m) Micro-Hydroelectric Service Option:

This option is for a customer qualifying for the Micro-Hydroelectric Service Option pursuant to General Information Section 31 of this Schedule and taking service under S.C. No. 12.

(n) Community Distributed Generation Service Option:

This option is for a customer qualifying for the Community Distributed Generation Service Option pursuant to General Information Section 37 of this Schedule and taking service under S.C. No. 12.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
Reserved for future use.
SERVICE CLASSIFICATION NO. 13

APPLICABLE TO THE USE OF SERVICE FOR:

Electric service to retain an existing non-residential customer, including commercial, industrial or public authority, that can demonstrate a viable competitive alternative, and that: (1) is currently taking service or would meet the eligibility requirements as a secondary, primary, sub-transmission, or transmission customer under Service Classification No. 2, 3 or 7; (2) with regard to an industrial customer, the final cost of whose product includes at least 4% in electricity costs, demonstrated in the documented needs analysis for non-standard tariff electric rates as detailed in this service classification, or which has an annual high billing demand of 1,000 kilowatts or greater; (3) is a non-retail commercial business customer with an annual high billing demand of 3,000 kilowatts or greater; or (4) is a retail commercial or public authority customer with an annual high billing demand of 5,000 kilowatts or greater.

CHARACTER OF SERVICE:

Continuous - Alternating Current, 60 Cycle;
Secondary Service at 120, 120/208, 120/240, 208, 240, 240/416, 277/480, or 480 Volts; or
Primary (Distribution) Service at 2,400, 4,160, 4800, 7,200, 8,320, 12,000, 12,470, 13,200, or 34,500 (Regulated)* Volts; or
Subtransmission Service at 34,500 or 46,000 (Both Non-Regulated) Volts; and 34,500 (Regulated) Volts for "Grandfathered Customers" only*; or
Transmission Service at 115,000 Volts and above (Non-Regulated*).
Single or Three Phase. (Characteristics depend upon available circuits and equipment.)


INDIVIDUAL ELECTRIC SERVICE AGREEMENT:

Determination as to whether or not the Corporation will enter into an Individual Electric Service Agreement will be based on an assessment of the need to retain or expand a Customer’s load and the demonstration of economic benefits to non-participating customers.

Upon 30 days notice to the Corporation, and upon acceptance of the application by the Corporation, a Customer may qualify for an Individual Electric Service Agreement pursuant to this Service Classification.

The Individual Electric Service Agreement shall contain and specify all terms and conditions necessary for the Corporation to provide service to the Customer, including but not limited to:

(A) The term of service.

(B) The characteristics of service in addition to Character of Service listed above.

(C) A listing of the rates and charges to be paid for services rendered.

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 13 (Continued)

INDIVIDUAL ELECTRIC SERVICE AGREEMENT: (Cont'd)

(D) A statement that the Customer has met all of the requirements of this tariff including the following requirements:

(1) If relocation is Customer's Competitive Viable Alternative:

(a) Customer must provide historic financial documentation as the basis for future financial projections presented for the period for which an Individual Electric Service Agreement is being requested.

The historic financial data and the financial projections should support the need for rate relief to operate in a manner consistent with past practices within the service territory of the Corporation.

(b) Customer must submit a strategic operating plan for the Customer to continue to operate in a manner consistent with past practices at the existing facility, or to expand at the existing facility within the Corporation's service territory.

b.1. The plan shall include an appropriate showing to the Corporation of the favorable economics and the viability of alternative electricity options. In so doing, the plan shall include an assessment of competitive factors including cost factors within the Customer's market.

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.
(D) A statement that the Customer has met all of the requirements of this tariff including the following requirements:

(1) If relocation is Customer's competitive viable alternative (b)(1): (Cont'd)

b.1. These cost factors may include, but are not limited to, the following:

b.1.a. Costs of shipping raw materials (industrial), or service resources (public authorities) to the production site.
b.1.b. Costs of shipping product to the Customer delivery points.
b.1.c. Material costs.
b.1.d. Property and other applicable local and state taxes.
b.1.e. Employee costs.
b.1.f. Electricity costs.
b.1.g. The potential cost to the Customer of complying with environmental regulations sufficient to meet minimum environmental permitting requirements.
b.1.h. Other energy costs.

b.2. The Customer agrees to evaluate and assess in good faith the implementation of energy efficiency improvements in the Customer's facility. This assessment may be accomplished through recommendations from a comprehensive production analysis or energy audit performed for the facility.

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
INDIVIDUAL ELECTRIC SERVICE AGREEMENT: (Cont'd)

(D) A statement that the customer has met all of the requirements of this tariff including the following requirements: (Cont'd)

(2) If Self Generation or Co-Generation is the Customer's competitive viable alternative:

(a) Customer must submit a strategic operating plan.

a.1. The plan shall provide an appropriate justification to the Corporation of the favorable economics and the viability of the self-generation or co-generation alternative. This plan shall include, but not be limited to, the following:

a.1.a. If on-site generation exists:
   i. A description of existing thermal and electric generation equipment, including all thermal and electric loads;
   ii. A description of the electric generating equipment, including size, annual and hourly electric output, and annual and hourly fuel consumption and costs;
   iii. A listing of annual non-fuel operating expenses for the energy facility, including, but not limited to, operating labor, maintenance, consumables, and O&M contract services;
   iv. A detail of other costs for energy facility, including, but not limited to, labor overheads, taxes, insurance, capital improvements, permit fees, and financing on existing equipment; and
   v. A description of areas of concern or difficulty which are adversely impacting current operations of the energy facility.

a.1.b. If on-site generation is being favorably considered:
   i. A description of the proposed self generation/co-generation facility, including the facility’s electric output, heat rate, and fuel consumption;
   ii. A breakdown of the estimated cost of the proposed facility;
   iii. A description of the intended operation of the proposed facility;
   iv. A detail of non-fuel operating costs, including, but not limited to, operating labor, general maintenance, overhaul maintenance, consumables and O&M contract services;
   v. A projection of annual electricity requirements and costs for Standby Service;
   vi. A description of the environmental impacts of the proposed facility; and
   vii. A Projected Cash Flow Analysis, detailing the financial data for the project life.

a.1.c. The Customer agrees to evaluate and assess in good faith the implementation of energy efficiency improvements in the Customer’s facility. This assessment may be accomplished through recommendations from a comprehensive production analysis or energy audit performed for the facility.

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 13 (Continued)

INDIVIDUAL ELECTRIC SERVICE AGREEMENT: (Cont’d)

(E) The documentation, including the historic and projected financial information, shall demonstrate, in a form acceptable to the Company, the competitive alternatives and the pricing objective needed to retain the Customer. The pricing objective shall specify the relief from the otherwise applicable standard tariff rate that is necessary to retain the Customer’s load, recognizing contributions towards achieving that objective from other economic development entities.

(F) The documentation shall also demonstrate the customer’s participation in, or efforts to participate in, available State and/or local economic development programs as reviewed and attested to by the appropriate agency(ies) and Economic Development staff employed by the Company. To that end, the Company shall coordinate a comprehensive program of development initiatives that are available and applicable from the private and/or public sector(s). Each Individual Electric Service Agreement shall identify billing procedures provided under the economic development tariff, contract, and programs (including NYPA economic development programs), as appropriate.

(G) The strategic operating plan must be accompanied by a sworn affidavit of the senior manager or officer at the Customer's facility, representing that the information submitted is true and that absent the Individual Electric Service Agreement, the Customer could no longer continue to operate its existing facility in a manner consistent with recent historical practices in the Company's service territory. The affidavit submitted by the Customer shall also include a commitment to continue to assess in good faith the resulting recommendations from any comprehensive production analysis and energy audit for inclusion in the Customer's facility, throughout the term of the Individual Electric Service Agreement.

Terms and conditions of service included in each Individual Electric Service Agreement required for service hereunder shall be established in a manner which does not unduly discriminate between similarly situated customers.

Each Individual Electric Service Agreement shall be jointly filed with the Public Service Commission (“PSC”) by the Company and the Customer pursuant to Commission Order Approving Guidelines For Flexible Rate Service Contracts, issued and effective April 14, 2005 in PSC Case 03-E-1761 (the “April 2005 Order”). The filing and any subsequent information requested by the Public Service Commission or its Staff regarding the Individual Electric Service Agreement shall be subject to full confidentiality protection as a trade secret.

A quarterly report shall be filed with the PSC pursuant to the April 2005 Order. The report shall be subject to full confidentiality protection as a trade secret.
SERVICE CLASSIFICATION NO. 13 (Continued)

INDIVIDUAL ELECTRIC SERVICE AGREEMENT: (Cont'd)

RATES:

The specific charges for service under this Service Classification will be stated in the Individual Electric Service Agreement executed for each Customer served hereunder.

DELIVERY RATE:

The rate contained in an Individual Electric Service Agreement will, at a minimum, recover the Corporation’s marginal costs plus a contribution toward system costs (“Marginal Cost Floor”).

The Marginal Cost Floor is defined as:

\[ MC_{\text{trans}} + MC_{\text{dist}} + MC_{\text{ancillary}} + NTAC + \text{contribution toward system costs} \]

Where:

- \( MC_{\text{trans}} \) is the Corporation’s FERC-approved Transmission Service Charge
- \( MC_{\text{dist}} \) is the Corporation’s marginal distribution costs
- \( MC_{\text{ancillary}} \) is the Corporation’s system load weighted average of the NYISO ancillary services charges for Schedules 1 (fixed and variable), 2, 3, 5, and 6,
- \( NTAC \) is the NYPA Transmission Access Charge

Unless an updated marginal cost study is attached to the Individual Electric Service Agreement, the marginal costs that were approved by the PSC for use in the development of the Corporation’s Economic Development Zone Incentive (“EDZI”) rates will be used for determining the Marginal Cost Floor.

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 13 (Continued)

INDIVIDUAL ELECTRIC SERVICE AGREEMENT: (Cont’d)

RATES: (Cont’d)

COMMODITY RATE:

Customer Options:
- The Corporation may provide electric commodity service at the rate for commodity available in the otherwise applicable Service Classification, as amended or superseded; or
- The Corporation will facilitate a Customer’s access to market commodity options available from ESCOs by offering the Customer assistance with linking the Customer with an ESCO that will offer, at a minimum, fixed price commodity for a period of at least six months.

If the Customer’s pricing objective, as demonstrated by the Customer, cannot be met by a combination of the above delivery and commodity offerings and other economic development offers, the Corporation will evaluate innovative solutions and pursue alternatives in an effort to achieve the Customer’s pricing objective, provided that if the Corporation is the provider of the commodity, then the Corporation shall not be required to supply that commodity below cost, the commodity shall not be drawn from the Corporation’s existing supply portfolio, and the pursuit of commodity service shall not result in an economic detriment to other customers.

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 13 (Continued)

INDIVIDUAL ELECTRIC SERVICE AGREEMENT: (Cont'd)

SURCHARGE TO COLLECT SYSTEM BENEFITS CHARGE ("SBC"):
A System Benefits Charge (as explained in this Schedule, General Information Rule 4) shall be added to each customer bill, as set forth in, and as permitted by, the individual Service Agreement, under this Service Classification. See SBC 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 Rule 3). See RSS Statement.

RATE ADJUSTMENT MECHANISM ("RAM"):  
The RAM shall be applied per kW to all kW delivered under this Service Classification, (as explained in this schedule, General Information Rule 38). See RAM Statement.

INCREASE IN RATES AND CHARGES:
The rates and charges under this service classification shall 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.

COMPETITIVE METERING OPTION:
For Service Agreements negotiated after March 1, 2001, the Company shall not require as a condition of contract, that a customer obtain its electric metering services from the Company. A customer whose Service Agreement allows and who otherwise qualifies for the Company's Competitive Metering Option pursuant to General Information Section 14 of this Schedule, shall receive a Competitive Metering Credit consistent with their otherwise applicable Service Classification.

TERMS OF PAYMENT:
All bills are rendered at the above rates 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 per month specified in the Service Agreement shall be billed on all amounts not paid by that date.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
SERVICE CLASSIFICATION NO. 13 (Continued)

INDIVIDUAL ELECTRIC SERVICE AGREEMENT (Cont’d.)

TERM:

The term of delivery service shall be limited to no more than five years, unless a longer term is approved by the PSC. Prospective adjustments to delivery service rates may be negotiated by the Corporation and the Customer, as defined within the Individual Electric Service Agreement.

The term of standard Corporation-offered commodity service supplied by the Corporation shall be reflected in the Individual Electric Service Agreement and shall remain in effect for the time periods established in the otherwise applicable Service Classification.

Other commodity options may provide for prospective price changes and term limitations, as defined within the Individual Electric Service Agreement.

If a Customer terminates or breaches an Individual Electric Service Agreement with the Corporation prior to the expiration of the term in which the price for a non-tariffed commodity option was to remain in effect, the Customer shall be responsible for compensating the Corporation for any obligations the Corporation has, or any damages the Corporation incurs, to a commodity supplier or provider of a financial hedge relating to that price.

SPECIAL PROVISIONS

(a) C.A.S.H.BACK SPECIAL PROVISION

The Corporation will provide a voluntary program for load normally supplied and delivered by NYSEG, for eligible customers to curtail load. The Corporation’s program, entitled C.A.S.H.BACK, implements the NYISO's day-ahead economic load-curtailment program. Under this program, a customer agrees to curtail load when their bid is submitted and accepted by the NYISO.

Customers who are qualified under C.A.S.H.BACK in Section 21 of the General Information section of this Schedule may participate in the Corporation’s C.A.S.H.BACK Program as set forth therein.

(b) Previous SC 13 Tariff

This provision is applicable to Individual Electric Service Agreements in effect prior to September 29, 2005.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE AGREEMENT:

Upon 30 days notice to the Corporation, and upon acceptance of the application by the Corporation, a customer may qualify for an individual Service Agreement pursuant to this service classification.

The Service Agreement shall contain and specify all terms and conditions necessary for the Corporation to provide service to the customer, including but not limited to:

(A) The term of service.

(B) The characteristics of service in addition to Character of Service listed above.

(C) A listing of the rates and charges to be paid for services rendered.

(D) A statement that the customer has met all of the requirements of this tariff including the following requirements:

(1) If relocation is Customer's Competitive Viable Alternative:

   (a) Customer must provide future projections for the period for which this tariff is being requested, presented in a form as defined by the American Institute of Certified Public Accountants (AICPA). The financial projections must be examined and reported upon by the customer's independent certified public accountants, indicating the projections to be in accordance with standards for the examination of financial projections established by the AICPA, and consistent with past practices and results.

   The required projections must support the need for rate relief to operate in a manner consistent with past practices within the service territory of New York State Electric & Gas Corporation.

   The customer through their independent certified public accountants will provide upon request to Coopers & Lybrand, or another CPA as determined by the Corporation, for review, work papers and supporting documentation.

   All information provided by the customer to the Company, whether printed, written or verbal, in compliance with this service classification, shall be held in confidence and used only for the purpose of business transacted between the Company and the Customer.

   Without limiting the foregoing, information furnished by the Customer and required to be submitted to the New York State Public Service Commission shall not be submitted without a request by NYSEG that such information shall be given trade secret protection in accordance with 16 NYCRR, 61.3. When any such information is required to be submitted to the NYS P.S.C., NYSEG will notify the customer of such request prior to its submittal.

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SPECIAL PROVISIONS (Cont’d)
(b) Previous SC 13 Tariff (Cont’d)
SERVICE AGREEMENT: (Cont’d)

(D) A statement that the customer has met all of the requirements of this tariff including the following requirements: (Cont’d)

(1) If relocation is Customer’s Competitive Viable Alternative: (Cont’d)

(b) Customer must submit a strategic operating plan for the customer to continue to operate in a manner consistent with past practices at the existing facility, or to develop a new or existing facility within the Corporation’s service territory.

b.1. The plan shall include an appropriate showing to the Corporation of the favorable economics and the viability of alternative power options. In so doing, the plan shall include an assessment of competitive factors including cost factors within the customer’s market.

These cost factors may include, but are not limited to, the following:

b.1.a. Costs of shipping raw materials (industrial), or service resources (public authorities) to the production site.
b.1.b. Costs of shipping product to the customer delivery points.
b.1.c. Material costs.
b.1.d. Property and other applicable local and state taxes.
b.1.e. Employee costs.
b.1.f. Employee costs.
b.1.g. The potential cost to the customer of complying with environmental regulations sufficient to meet minimum environmental permitting requirements.
b.1.h. Other energy costs.

b.2. The plan shall also include the results of a comprehensive production analysis and energy audit, including, but not limited to:

b.2.a. Process usage.
b.2.b. Lighting and HVAC requirements as presented by independent consultants, licensed in New York State as Professional Engineers, or as otherwise acceptable to the Corporation.

b.3. The customer agrees to assess in good faith the resulting recommendations from the comprehensive production analysis and energy audit for inclusion in the customer’s facility.

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.
SPECIAL PROVISIONS (Cont’d)

(b) Previous SC 13 Tariff (Cont’d)

SERVICE AGREEMENT: (Cont’d)

(D) A statement that the customer has met all of the requirements of this tariff including the following requirements: (Cont’d)

(2) If Self Generation or Co-Generation is the Customer's Competitive Viable Alternative:

(a) Customer must submit a strategic operating plan.

a.1. The plan shall provide an appropriate justification to the Corporation of the favorable economics and the viability of the self-generation or co-generation alternative. This plan shall include, but not be limited to, the following:

a.1.a. If on-site generation exists:
   i. A description of existing thermal and electric generation equipment, including all thermal and electric loads;
   ii. A description of the electric generating equipment, including size, annual and hourly fuel consumption and costs. Line pressure of fuel, if natural gas, to site shall also be included;
   iii. A listing of annual non-fuel operating expenses for the energy facility, including, but not limited to, operating labor, maintenance, consumables, and O&M contract services;
   iv. A detail of other costs for energy facility, including, but not limited to, labor overheads, taxes, insurance, capital improvements, permit fees, and financing on existing equipment;
   v. A description of areas of concern or difficulty which are adversely impacting current operations of the energy facility.

a.1.b. If on-site generation is being favorably considered:
   i. A description of the proposed self generation/co-generation facility, including fuel consumption;
   ii. A breakdown of the estimated cost of the proposed facility;
   iii. A description of the intended operation of the proposed facility;
   iv. A description of non-fuel operating costs, including, but not limited to, operating labor, general maintenance, overhaul maintenance, consumables and O&M contract services;
   v. A projection of annual electricity requirements and costs for supplemental, back-up, and maintenance service;
   vi. A description of performance effects on ambient temperature, and annual capacity/efficient degradation from recoverable and non-recoverable losses;
   vii. A description of the environmental impacts of the proposed facility;
   viii. A Projected Cash Flow Analysis, detailing the financial data for the project life.

a.1.c. The plan shall also include an energy audit whether the customer is considering, or has already installed, self-or co-generation facilities.

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SPECIAL PROVISIONS (Cont’d)
(b) Previous SC 13 Tariff (Cont’d)

SERVICE AGREEMENT: (Cont’d)

(E) The overall plan must be accompanied by a sworn affidavit of the senior manager or officer at the customer's facility, representing that the information submitted is true and that absent the Service Agreement, the customer could no longer continue to operate its existing facility in a manner consistent with recent historical practices or to commence operations of a facility in the Corporation's service territory. The affidavit submitted by the customer shall also include a commitment to continue to assess in good faith the resulting recommendations from the comprehensive production analysis and energy audit for inclusion in the customer's facility, throughout the term of the agreement.

(F) For Service Agreements negotiated after August 1, 1998, NYSEG will not require as a condition of contract, that a customer purchase its Electric Power Supply from the Corporation. An Eligible Customer whose Service Agreement allows and who otherwise qualifies for General Retail Access pursuant to NYSEG's General Information Section 16 of this Schedule may elect to purchase Electric Power Supply from an ESCO.

Terms and conditions of service included in each Service Agreement required for service hereunder will be established in a manner which does not unduly discriminate between similarly situated customers.

The first negotiated Service Agreement between the Corporation and Customer will be submitted to the Public Service Commission Staff for review. For the initial and subsequent contracts, a summary of each Service Agreement in effect shall be included on a listing appended to this tariff rate schedule, Service Classification No. 13, pursuant to Commission Order Concerning Tariffs Authorizing Individually Negotiated Contracts, issued and effective May 8, 1992 in PSC Case 91-M-0927.

RATE:

The specific charges for service under this service classification will be stated in the negotiated Service Agreement executed for each customer served hereunder. A summary of the Rates and Charges will be filed with the Public Service Commission, as required, as an addendum to this schedule.

The rate contained in any Service Agreement will, at a minimum, recover the Corporation's marginal cost plus at least 1 cent per kWh ("Marginal Cost Floor"). Such recovery under each Service Agreement will be calculated by using a rolling 12-month methodology. As part of calculating a customer's monthly bill, the Corporation will compare the customer's previous 12-month contracted Service Agreement billed amount to the previous 12-month Marginal Cost Floor amount for the applicable contracted electric usage during that 12-month period. When the contracted Service Agreement billed amount is less than the Marginal Cost Floor amount for that same period, the Corporation will adjust the customer's current bill to recover that deficiency.

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 13 (Continued)

SPECIAL PROVISIONS (Cont’d)
(b) Previous SC 13 Tariff (Cont’d)
SERVICE AGREEMENT (Cont’d.)

TERM:

The term of service shall be limited to no more than three years, but may include provision for renegotiation when additional guidelines are established by the Public Service Commission.

If the following three conditions are met to the satisfaction of the Corporation:

a) adequate competitive justification is demonstrated by the customer;

b) adequate guarantee of availability of cost effective supply is documented by the Corporation; and

c) the longer term would provide additional net benefits to non-participating customers;

the term of service may be up to seven years, and may contain appropriate reopener conditions.

(c) Customer Charge - Individual Service Agreements Effective Prior to January 1, 2007:

If an Individual Service Agreement that became effective prior to January 1, 2007 refers to the Customer Charge contained within Service Classification Nos. 2, 3 or 7, such Customer Charge shall be defined as including the Meter Ownership, Meter Service, Meter Data Service and Bill Issuance Charges, in addition to the Customer Charge, as set forth in the referenced Service Classification Nos. 2, 3 or 7. This definition is necessitated by the Company’s unbundling of the Meter Ownership, Meter Service, Meter Data Service and Bill Issuance Charges from the Customer Charge, effective January 1, 2007.

Issued in compliance with order in Case No. 05-E-1222 dated 08/23/06.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 14

APPLICABLE TO THE USE OF SERVICE FOR:

Electric service to a new or existing non-residential customer that can demonstrate a competitive viable alternative.

A. New Customer:

1. That develops or constructs new facilities, or extensively refurbishes an existing or mothballed facility and has electric equipment with a total connected demand of at least 300 kilowatts, except at least 250 kilowatts in areas served by the Corporation where distribution facilities are "underutilized" (as determined solely by the Corporation).

   - OR -

2. Certain industrial customers that participate in the Alfred University Incubator Facilities program as described in Section 26 of Chapter 839 of the Laws of 1987 (New York), and "graduate" therefrom, and locate within the developing "Ceramics Corridor" envisioned by the legislation to promote new and emerging technology enterprises in conjunction with the University and the region's industry and local government which are certified as eligible by Alfred Technology Resources Incorporated, and accepted by the Corporation.

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.
SERVICE CLASSIFICATION NO. 14 (Continued)

APPLICABLE TO THE USE OF SERVICE FOR: (Cont’d)

B. Existing Customer:

1. That expands its use of electric equipment at its existing facility, requiring:

   (a) the installation of additional electric equipment with a total connected demand of at least 300 kilowatts, except at least 250 kilowatts in areas served by the Corporation where distribution facilities are "underutilized" (as determined solely by the Corporation).

   -OR-

   (b) the increased use of existing electric equipment by scheduling, staffing and operating an additional shift, that has not been operated, as such, for at least 1 year utilizing equipment with a total connected demand of at least 300 kilowatts, except at least 250 kilowatts in areas served by the Corporation where distribution facilities are "underutilized" (as determined solely by the Corporation).

2. Which has already installed and operates on site self or co-generation facilities; Customer must submit the following documentation:

   a. A description of existing thermal and electric generation equipment, including all thermal and electric loads;

   b. A description of the electric generating equipment, including size, annual and hourly fuel consumption and costs. Line pressure of fuel, if natural gas, to site shall also be included;

   c. A listing of annual non-fuel operating expenses for the energy facility, including, but not limited to, operating labor, maintenance, consumables, and O&M contract services;

   d. A detail of other costs for energy facility, including, but not limited to, labor overheads, taxes, insurance, capital improvements, permit fees, and financing on existing equipment;

   e. A description of areas of concern or difficulty which are adversely impacting current operations of the energy facility.

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 14 (Continued)

APPLICABLE TO THE USE OF SERVICE FOR: (Cont'd)

CHARACTER OF SERVICE:

Continuous - Alternating Current, 60 Cycle;
Secondary Service at 120, 120/208, 120/240, 208, 240, 240/416, 277/480, or 480 Volts; or
Primary (Distribution) Service at 2,400, 4,160, 4800, 7,200, 8,320, 12,000, 12,470, 13,200, or 34,500 (Regulated)* Volts; or
Subtransmission Service at 34,500 or 46,000 (Both Non-Regulated) Volts; and 34,500 (Regulated) Volts for "Grandfathered Customers" only*; or
Transmission Service at 115,000 Volts and above (Non-Regulated*).
Single or Three Phase. (Characteristics depend upon available circuits and equipment.)


Issued in compliance with order in Case 03-E-1761 dated 04/14/05.
INDIVIDUAL ELECTRIC SERVICE AGREEMENT:

Determination as to whether or not the Corporation will enter into an Individual Electric Service Agreement will be based on an assessment of the need to attract a Customer’s load or expand the Customer’s usage and the demonstration of economic benefits to non-participating customers. Upon 30 days notice to the Corporation, and upon acceptance of the application by the Corporation, such a Customer's eligible load may qualify for an Individual Electric Service Agreement, pursuant to this Service Classification. The Individual Electric Service Agreement will be negotiated to avoid undue discrimination between similarly situated customers.

The Individual Electric Service Agreement shall contain and specify all terms and conditions necessary for the Corporation to provide such service to the Customer, including but not limited to:

(A) The term of service.

(B) The characteristics of service in addition to Character of Service listed above.

(C) A listing of the rates and charges to be paid for services rendered.

(D) A statement that the Customer has met all of the requirements of this tariff, including the following:

   (1) Customer must provide documentation as to its eligibility under “Applicable to the Use of Service For,” Sections A and B of this tariff. Customer must also demonstrate proof of the existence of a competitive viable alternative, and its planned procedure to disregard same.

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
(D) (Cont’d.)

(2) The Customer agrees to evaluate and assess in good faith the implementation of energy efficiency improvements in the Customer's facility. This assessment may be accomplished through recommendations from a comprehensive production analysis or energy audit performed for the facility.

(E) The Customer shall provide, in a form acceptable to the Company, its pricing objective needed to attract the Customer or expand its usage. The pricing objective shall specify the relief from the otherwise applicable standard tariff rate that is necessary to attract the Customer or expand the Customer’s load, recognizing contributions towards achieving that objective from other economic development entities.

(F) The documentation shall demonstrate the Customer's participation in, or efforts to participate in, available State and/or local economic development programs as reviewed and attested to by the appropriate agency(ies) and Economic Development staff employed by the Company. To that end, the Company shall coordinate a comprehensive program of development initiatives that are available and applicable from the private and/or public sector(s). Each Individual Electric Service Agreement shall identify billing procedures provided under the economic development tariff, contract, and programs (including NYPA economic development programs), as appropriate.

(G) The Individual Electric Service Agreement must be accompanied by a sworn affidavit of the senior manager or officer at the Customer's facility, representing that the information submitted is true and that absent the Individual Electric Service Agreement, the Customer would not have commenced taking or increased the use of electric service from the Company. The affidavit submitted by the Customer shall also include a commitment to continue to assess in good faith the resulting recommendations from any comprehensive production analysis and energy audit for inclusion in the Customer's facility, throughout the term of the Individual Electric Service Agreement.

Each Individual Electric Service Agreement shall be jointly filed with the Public Service Commission (“PSC”), by the Company and the Customer pursuant to the PSC’s Order Approving Guidelines For Flexible Rate Service Contracts, issued and effective April 14, 2005 in PSC Case 03-E-1761 (the “April 2005 Order”). The filing and any subsequent information requested by the PSC or its Staff regarding the Individual Electric Service Agreement shall be subject to full confidentiality protection as a trade secret.

A quarterly report shall be filed with the PSC pursuant the April 2005 Order. The report shall be subject to full confidentiality protection as a trade secret.
SERVICE CLASSIFICATION NO. 14 (Continued)

RATE:

The specific charges for service under this Service Classification will be stated in the Individual Electric Service Agreement executed for each Customer served hereunder.

DELIVERY RATE:

The rate contained in an Individual Electric Service Agreement will, at a minimum, recover the Corporation's marginal costs plus a contribution toward system costs ("Marginal Cost Floor").

The Marginal Cost Floor is defined as:

\[
MC_{\text{trans}} + MC_{\text{dist}} + MC_{\text{ancillary}} + NTAC + \text{contribution toward system costs}
\]

Where:

- \( MC_{\text{trans}} \) is the Corporation’s FERC-approved Transmission Service Charge
- \( MC_{\text{dist}} \) is the Corporation’s marginal distribution costs
- \( MC_{\text{ancillary}} \) is the Corporation’s system load weighted average of the NYISO ancillary services charges for Schedules 1 (fixed and variable), 2, 3, 5, and 6,
- \( NTAC \) is the NYPA Transmission Access Charge

Unless an updated marginal cost study is attached to the Individual Electric Service Agreement, the marginal costs that are approved by the PSC for use in the development of the Corporation’s Economic Development Zone Incentive ("EDZI") rates will be used for determining the Marginal Cost Floor.

COMMODITY RATE:

Customer Options:

- The Corporation may provide electric commodity service at the rate for commodity available in the otherwise applicable Service Classification, as amended or superseded; or
- The Corporation will facilitate a Customer’s access to market commodity options available from ESCOs by offering the Customer assistance with linking the Customer with an ESCO that will offer, at a minimum, fixed price commodity for a period of at least six months.

If the Customer’s pricing objective, as demonstrated by the Customer, cannot be met by a combination of the above delivery and commodity offerings and other economic development offers, the Corporation will evaluate innovative solutions and pursue alternatives in an effort to achieve the Customer’s pricing objective, provided that if the Corporation is the provider of the commodity, then the Corporation shall not be required to supply that commodity below cost, the commodity shall not be drawn from the Corporation’s existing supply portfolio, and the pursuit of commodity service shall not result in an economic detriment to other customers.

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 14 (Continued)

SURCHARGE TO COLLECT SYSTEM BENEFITS CHARGE ("SBC"):  
A System Benefits Charge (as explained in this Schedule, General Information Rule 4) shall be added to each customer bill, as set forth in, and as permitted by, the individual Service Agreement, under this Service Classification. See SBC 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 Rule 3). See RSS Statement.

RATE ADJUSTMENT MECHANISM ("RAM"):  
The RAM shall be applied per kW to all kW delivered under this Service Classification (as explained in this schedule, General Information Rule 38). See RAM Statement.

COMPETITIVE METERING OPTION:  
For Service Agreements negotiated after March 1, 2001, the Company shall not require as a condition of contract, that a customer obtain its electric metering services from the Company. A customer whose Service Agreement allows and who otherwise qualifies for the Company's Competitive Metering Option pursuant to General Information Section 14 of this Schedule, shall receive a Competitive Metering Credit consistent with their otherwise applicable Service Classification.

INCREASE IN RATES AND CHARGES:  
The rates and charges under this service classification shall 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.

TERMS OF PAYMENT:  
All bills are rendered at the above rates 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 per month specified in the Service Agreement shall be billed on all amounts not paid by that date.

TERM:  
The term of delivery service shall be limited to no more than five years, unless a longer term is approved by the PSC. Prospective adjustments to delivery service may be negotiated by the Company and the Customer, as defined within the Individual Electric Service Agreement.

The term of standard Company-offered commodity service supplied by the Company shall be reflected in the Individual Electric Service Agreement and shall remain in effect for the time periods established in the otherwise applicable Service Classification.

Other commodity options may provide for prospective price changes and term limitations, as defined within the Individual Electric Service Agreement.

If a Customer terminates or breaches an Individual Electric Service Agreement with the Company prior to the expiration of the term in which the price for a non-tariffed commodity option was to remain in effect, the Customer shall be responsible for compensating the Company for any obligations the Company has, or any damages the Company incurs, to a commodity supplier or provider of a financial hedge relating to that price.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York
SERVICE CLASSIFICATION NO. 14 (Continued)

SPECIAL PROVISIONS:

C.A.S.H.BACK

The Corporation will provide a voluntary program for load normally supplied and delivered by the Corporation, for eligible customers to curtail load. The Corporation's program, entitled C.A.S.H.BACK, implements the NYISO's day-ahead economic load-curtailment program. Under this program, a Customer agrees to curtail load when their bid is submitted and accepted by the NYISO.

Customers who are qualified under C.A.S.H.BACK in Section 21 of the General Information section of this Schedule may participate in the NYSEG C.A.S.H.BACK Program as set forth therein.

Emergency Demand Response Program ("EDRP"):

The EDRP seeks to provide customers with an economic incentive to respond to Emergency Operating Conditions as identified by the NYISO. EDRP can provide the NYISO, through the Corporation, with the ability to request voluntary load curtailment or replacement by participating customers for electric usage.

Customers who are qualified under EDRP in Section 20 of the General Information section of this Schedule may participate in the NYSEG EDRP as set forth therein unless the customer's contract specifically prohibits participation in the program.

Previous SC 14 Tariff

This provision is applicable to Individual Electric Service Agreements in effect prior to September 29, 2005.

APPLICABLE TO THE USE OF SERVICE FOR:

Electric service required to respond to non-residential customers’ needs at a time when the electricity service markets become increasingly competitive. Through Individual Service Agreements signed under this tariff, the Corporation proposes to provide incentives and thus promote the location of new business ventures within the Corporation's territory, as well as promote the expansion of existing new or current non-residential customers. The customer shall assert via a sworn affidavit that it would not locate or expand in the Corporation's service territory, but for the combination of a comprehensive package of economic incentives or real property tax incentives and/or the award of an S.C. 14 contract. The corporation will make an independent verification of the customer's assertion. The potential cost to the customer of complying with environmental regulations sufficient to meet minimum environmental permitting requirements will be taken into consideration when determining whether a customer has a realistic competitive alternative.
SERVICE CLASSIFICATION NO. 14 (Continued)

SPECIAL PROVISIONS:

Previous SC 14 Tariff (Cont’d)

APPLICABLE TO THE USE OF SERVICE FOR: (Cont’d)

The baseload (load not subject to reduced pricing under this service classification), of S.C. 14 customers will be eligible for the "Industrial/High Load Factor Rate" Provision as set forth in the otherwise applicable S.C. No. 2, 3 or 7, if such baseload meets those eligibility requirements.

A. New Customer:

1. That develops or constructs new facilities, or extensively refurbishes an existing or mothballed facility and has electric equipment with a total connected demand of at least 300 kilowatts, except at least 250 kilowatts in areas served by the Corporation where distribution facilities are "underutilized" (as determined solely by the Corporation).

   - OR -

2. Certain industrial customers that participate in the Alfred University Incubator Facilities program as described in Section 26 of Chapter 839 of the Laws of 1987 (New York), and "graduate" therefrom, and locate within the developing "Ceramics Corridor" envisioned by the legislation to promote new and emerging technology enterprises in conjunction with the University and the region's industry and local government which are certified as eligible by Alfred Technology Resources Incorporated, and accepted by the Corporation.

B. Existing Customer:

1. That expands its use of electric equipment at its existing facility, requiring:

   (a) the installation of additional electric equipment with a total connected demand of at least 300 kilowatts, except at least 250 kilowatts in areas served by the Corporation where distribution facilities are "underutilized" (as determined solely by the Corporation).

   -OR-

   (b) the increased use of existing electric equipment by scheduling, staffing and operating an additional shift, that has not been operated, as such, for at least 1 year utilizing equipment with a total connected demand of at least 300 kilowatts, except at least 250 kilowatts in areas served by the Corporation where distribution facilities are "underutilized" (as determined solely by the Corporation).

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 14 (Continued)

SPECIAL PROVISIONS:

Previous SC 14 Tariff (Cont’d)

APPLICABLE TO THE USE OF SERVICE FOR: (Cont’d)

B. Existing Customer: (Cont’d)

2. Which has already installed and operates on site self or co-generation facilities; customer must submit the following documentation:

   a. A description of existing thermal and electric generation equipment, including all thermal and electric loads;

   b. A description of the electric generating equipment, including size, annual and hourly fuel consumption and costs. Line pressure of fuel, if natural gas, to site shall also be included;

   c. A listing of annual non-fuel operating expenses for the energy facility, including, but not limited to, operating labor, maintenance, consumables, and O&M contract services;

   d. A detail of other costs for energy facility, including, but not limited to, labor overheads, taxes, insurance, capital improvements, permit fees, and financing on existing equipment;

   e. A description of areas of concern or difficulty which are adversely impacting current operations of the energy facility.

C. The first negotiated Service Agreement between the Corporation and Customer will be submitted to the Public Service Commission for review. For the initial and subsequent contracts, a summary of each Service Agreement in effect shall be included on a listing appended to this tariff rate schedule, Service Classification No. 14, pursuant to Commission Order Concerning Tariffs Authorizing Individually Negotiated Contracts, issued and effective May 8, 1992 in PSC Case 91-M-0927.

D. Customers, not meeting the above criteria, may be eligible for the Company's Economic Development Incentive as set forth in Section 8 of the General Information Section of this Schedule.

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 14 (Continued)

SPECIAL PROVISIONS:

Previous SC 14 Tariff (Cont’d)

SERVICE AGREEMENT:

Upon 30 days notice to the Corporation, and upon acceptance of the application by the Corporation, such a customer's eligible load may qualify for an individual Service Agreement, pursuant to this service classification. The Individual Service Agreement will be negotiated to avoid undue discrimination between similarly situated customers.

The Service Agreement shall contain and specify all terms and conditions necessary for the Corporation to provide such service to the customer, including but not limited to:

(A) The term of service.

(B) The characteristics of service in addition to Character of Service listed above.

(C) A listing of the rates and charges to be paid for services rendered.

(D) A statement that the customer has met all of the requirements of this tariff, including the following:

1. Customer must provide documentation as to its eligibility under Sections A and B 1. of this tariff. Additionally, customer must agree to the exclusive use of the Corporation's electric energy service during the term of the contract. Customer must also demonstrate proof of the existence of a viable alternative, and its planned procedure to disregard same.

2. The documentation shall demonstrate the customer's appropriate participation in available State and/or local economic development programs as reviewed and attested to by the appropriate agency(ies) and a Certified Economic Developer employed by New York State Electric & Gas Corporation. To that end, the Corporation will coordinate a comprehensive program of development initiatives that are available and applicable from the private and/or state and/or local public sector(s).

3. The documentation shall also include the results of a comprehensive production analysis and energy audit, including, but not limited to process usage, lighting, and HVAC requirements as presented by independent consultants, licensed in New York State as professional engineers, or as otherwise acceptable to the Corporation. The customer agrees to assess in good faith the resulting recommendations from the comprehensive production analysis and energy audit for inclusion in the customer's facility.

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 14 (Continued)

SPECIAL PROVISIONS:

Previous SC 14 Tariff (Cont’d)
SERVICE AGREEMENT: (Cont’d)

(E) The executed Service Agreement must be accompanied by a sworn affidavit of the senior manager or officer at the customer's facility, representing that the documented information submitted is true and that but for the Service Agreement, the customer would not have commenced taking or increased the use of electric service from the Corporation with the attendant economic development benefits to the Corporation and its other customers, the Community and the State.

(F) For Service Agreements negotiated after August 1, 1998, NYSEG will not require as a condition of contract, that a customer purchase its Electric Power Supply from the Corporation. An Eligible Customer whose Service Agreement allows and who otherwise qualifies for General Retail Access pursuant to NYSEG's General Information Section 16 of this Schedule may elect to purchase Electric Power Supply from an ESCO.

CONFIDENTIALITY AND TRADE SECRETS:

All information provided by the customer to the Corporation, whether printed, written or verbal, in compliance with this service classification, shall be held in confidence and used only for the purpose of business transacted between the Corporation and the Customer.

Without limiting the foregoing, information furnished by the Customer and required to be submitted to the New York State Public Service Commission shall not be submitted without a request by NYSEG that such information shall be given trade secret protection in accordance with 16 NYCRR 6-1.3. When any such information is required to be submitted to the New State Public Service Commission, New York State Electric & Gas Corporation will notify the customer of such request prior to its submittal.

RATE:

The specific charges for service under this service classification will be stated in the negotiated Service Agreement executed for each customer served hereunder. A summary of the Rates and Charges will be filed with the Public Service Commission, as required, as an addendum to this schedule.

The rate contained in any Service Agreement will, at a minimum, recover the Corporation's marginal cost plus at least 1 cent per kWh ("Marginal Cost Floor"). Such recovery under each Service Agreement will be calculated by using a rolling 12-month methodology. As part of calculating a customer's monthly bill, the Corporation will compare the customer's previous 12-month contracted Service Agreement billed amount to the previous 12-month Marginal Cost Floor amount for the applicable contracted electric usage during that 12-month period. When the contracted Service Agreement billed amount is less than the Marginal Cost Floor amount for that same 12-month period, the Corporation will adjust the customer's current bill to recover that deficiency.

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York
SERVICE CLASSIFICATION NO. 14 (Continued)

SPECIAL PROVISIONS:  (Cont’d.)

Customer Charge - Individual Service Agreements Effective Prior to January 1, 2007:

If an Individual Service Agreement that became effective prior to January 1, 2007 refers to the Customer Charge contained within Service Classification Nos. 2, 3 or 7, such Customer Charge shall be defined as including the Meter Ownership, Meter Service, Meter Data Service and Bill Issuance Charges, in addition to the Customer Charge, as set forth in the referenced Service Classification Nos. 2, 3 or 7. This definition is necessitated by the Company’s unbundling of the Meter Ownership, Meter Service, Meter Data Service and Bill Issuance Charges from the Customer Charge, effective January 1, 2007.

Issued in compliance with order in Case No. 05-E-1222 dated 08/23/06.

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