

PSC No: 120 - Electricity  
New York State Electric & Gas Corporation  
Initial Effective Date: August 29, 2005  
Effective date postponed to 09/29/2005. See Supplement No. 1.

Leaf No. 305  
Revision: 1  
Superseding Revision: 0

#### 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.)

\*Effective February 15, 2000.

#### 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

PSC No: 120 - Electricity  
New York State Electric & Gas Corporation  
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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.

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

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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 (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

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: (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.

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.

PSC No: 120 - Electricity  
New York State Electric & Gas Corporation  
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Issued in compliance with Order in Case No. 19-E-0378, dated November 19, 2020.

Leaf No. 309.1  
Revision: 1  
Superseding Revision: 0

SERVICE CLASSIFICATION NO. 13 (Continued)

INDIVIDUAL ELECTRIC SERVICE AGREEMENT: (Cont'd)

RATES:

The specific charges for service under this Service Classification shall 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 shall, at a minimum, recover the Company's marginal costs plus a contribution toward system costs ("Marginal Cost Floor").

The Marginal Cost Floor is defined as:

$MC_{trans} + MC_{dist} + MC_{ancillary} + NTAC + \text{contribution toward system costs}$

Where:

$MC_{trans}$  is the Company's FERC-approved Transmission Service Charge

$MC_{dist}$  is the Company's marginal distribution costs

$MC_{ancillary}$  is the Company'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 Excelsior Jobs rates shall be used for determining the Marginal Cost Floor.

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

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New York State Electric & Gas Corporation  
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Revision: 1  
Superseding Revision: 0

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

PSC No: 120 - Electricity  
New York State Electric & Gas Corporation  
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Issued in compliance with Order in Case No. 24-E-0493, dated December 19, 2024.

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### 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.

##### 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.

##### EARNINGS ADJUSTMENT MECHANISM (EAM):

The EAM shall be applied per kW delivered under this Service Classification, (as explained in this Schedule General Information Rule 46). The rate shall be set forth on the EAM Statement.

##### NON-WIRES ALTERNATIVE (NWA) SURCHARGE:

The NWA Surcharge shall be applied per kW delivered under this Service Classification, (as explained in this Schedule General Information Rule 47). The rate shall be set forth on the NWA Statement.

##### RECOVERY CHARGE

The Recovery Charge shall be applied per kW delivered under this Service Classification, (as explained in this Schedule General Information Rule 57). The rate shall be set forth on the Recovery Charge 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.

##### 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.



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.\$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.\$H.BACK, implements the NYISO's day-ahead economic load-curtailement 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 Corporation's C.A.\$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.

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New York State Electric & Gas Corporation  
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#### SERVICE CLASSIFICATION NO. 13

#### SPECIAL PROVISIONS (Cont.)

(b) Previous SC 13 Tariff

#### 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, 6-1.3. 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

PSC No: 120 - Electricity  
New York State Electric & Gas Corporation  
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SERVICE CLASSIFICATION NO. 13

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.

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)

(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 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 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.

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New York State Electric & Gas Corporation  
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SERVICE CLASSIFICATION NO. 13 (Continued)

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

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New York State Electric & Gas Corporation  
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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