

PSC NO: 90 GAS
 NEW YORK STATE ELECTRIC & GAS CORPORATION
 INITIAL EFFECTIVE DATE: 07/01/16
 Issued in compliance with Order in Case 15-G-0284, dated June 15, 2016

LEAF: 2
 REVISION: 7
 SUPERSEDING REVISION: 6

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Issued in compliance with Commission order in Case 01-G-1668 dated 11/20/02.

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LEAF: 4
REVISION: 3
SUPERSEDING REVISION: 1

GENERAL INFORMATION

1. TERRITORY TO WHICH SCHEDULE APPLIES:

These rules and regulations are applicable to all schedules for gas service issued or adopted by New York State Electric & Gas Corporation (the "Company"), except as otherwise provided in individual rate schedules. Detailed listings of the territory to which this schedule applies appear in each rate schedule.

2. RULES RELATING TO THE INSTALLATION OF MAINS, SERVICES, EXTENSIONS, ETC.:

A. Definitions - See Glossary.

B. Utility Obligation to Provide Gas Service

When an application for gas service is made to the Company by the owner or occupant of a building situated on property abutting on or having access to any public right-of-way, in which the governmental authority having jurisdiction shall permit the Company to install and maintain facilities, the Company shall render the service requested in accordance with the provisions of this Rule 2.B.

GENERAL INFORMATION**2. RULES RELATING TO THE INSTALLATION OF MAINS, SERVICES, EXTENSIONS, ETC.:
(CONT'D)**

B. (Cont'd)

If due to unusual circumstances the actual cost per foot of a particular installation is greater than two times the Company's average cost per foot of new installations for service for the 12 months ended September 30 of the previous year, it may apply to the Commission for relief from so much of this section as it deems necessary in order to provide the service.

C. The Company shall furnish, place and construct all mains, service lines, service connections and appurtenant facilities necessary to render the service requested. Service lines shall be constructed to the closest, suitable meter location. The cost and expense which the Company must bear shall be:

- (1) The material and installation cost relating to:
 - (a) Up to 100 feet of main and appurtenant facilities; and
 - (b) The service line located within the public right-of-way plus a portion of service beyond the public or private right-of-way (or the main if it is closer to the customer and development shall be limited to one side of the right-of-way for at least 10 years), equal to the greater of 100 feet or footage equivalent to 70% of the estimated annual revenue. The cost shall be determined as defined in Rule 13 of this Schedule; and
- (2) The amounts legally imposed by governmental authorities for obtaining required work permits and for repairing or replacing disturbed pavement.

D. Obligations of All Applicants

An applicant shall first have:

- (1) assured the Company that they shall be a reasonably permanent customer;
- (2) agreed in writing to pay to the Company;
 - (a) the material and installation costs relating to any portion of the service line, service connections and appurtenant facilities located on his/her property that exceeds the portion which the Company is required to install without charge;
 - (b) any surcharge relating to the portion of the main and appurtenant facilities that exceeds the portion which the Company is required to install without charge; and
 - (c) the rates charged like customers; and

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REVISION: 2
SUPERSEDING REVISION: 0

GENERAL INFORMATION

2. RULES RELATING TO THE INSTALLATION OF MAINS, SERVICES, EXTENSIONS, ETC.: (CONT'D)

D. An Applicant Shall First Have: (Cont'd)

(3) furnished reasonable security as to the performance of their agreement, if required to do so by the Company.

E. Reserved for Future Use

F. Reserved for Future Use

GENERAL INFORMATION

2. RULES RELATING TO THE INSTALLATION OF MAINS, SERVICES, EXTENSIONS, ETC.: (CONT'D)

G. Dual-fueled non-residential customers and interruptible customers:

The Company shall provide facilities to serve these customers on a cost justified basis.

H. Customer Charges for Additional Facilities:

- (1) If, in order to provide service to an applicant, the Company must install mains and appurtenant facilities in addition to those required to be provided without charge under Rule 2.D, the Company shall impose a surcharge subject to the following provisions.
 - (a) The surcharge relating to mains and appurtenant facilities including return, depreciation, taxes and maintenance shall not exceed 20% per year of the actual reasonable cost of such facilities that exceeds the portion which the Company is required to install without charge to an applicant, if the Company lays a main of four inches or less in nominal diameter (in the case of low pressure distribution) or of two inches or less in nominal diameter (in the case of high pressure distribution). If the Company lays a main greater than 4 inches or less in nominal diameter (in the case of low pressure distribution) or greater than two inches in nominal diameter (in the case of high pressure distribution), the surcharge shall not exceed 20% per year of the estimated reasonable cost of a four inches main (in the case of low pressure distribution) or a two inch main (in the case of high pressure distribution) unless the estimated consumption of the proposed customer(s) requires the installation of a larger-sized main, in which event the surcharge shall not exceed 20% per year of the actual reasonable cost of such main. The surcharge shall commence when gas service is first available to an applicant and shall be paid ratably for each billing period.

GENERAL INFORMATION

2. RULES RELATING TO THE INSTALLATION OF MAINS, SERVICES, EXTENSIONS, ETC.: (CONT'D)

H. Customer Charges for Additional Facilities: (Cont'd)

- (b) The surcharge shall be reduced by 50% of adjusted gas revenues, but the credit shall not exceed the amount of the surcharge as determined above.
- (c) Whenever more than one customer is connected to a main extension, the surcharge shall be so adjusted that the Company shall not receive in any one calendar year a greater percentage from all customers served from the main extension than that applicable to such extension. The surcharge shall also be reasonably allocated among the customers being served from the main extension, taking into account the portion of mains and appurtenant facilities which the Company is required to provide without charge to each customer served from such facilities.
- (d) Each surcharge shall cease:
 - (i) whenever the length of a main extension required to be provided without charge to all customers served from such extension shall equal or exceed the total length of such extension;
 - (ii) whenever the total adjusted gas revenue from all customers served from a main extension shall equal or exceed 40% of the cost of such extension in excess of that required to be provided without charge, in each of any two consecutive calendar years; or
 - (iii) after a period of 10 years following its commencement.
- (e) Should the adjusted gas revenue from all customers served from a main extension exceed the carrying cost of the entire extension, any surcharges (or contributions) paid by such customers during the preceding five years shall be refunded to such customers.
- (f) No surcharge shall be imposed if the total adjusted gas revenue from all customers served from a main extension is estimated to exceed 40% of the actual reasonable cost of such extension in each of any two consecutive calendar years.

PSC NO. 90 Gas

NEW YORK STATE ELECTRIC & GAS CORPORATION

Initial Effective Date: 07/01/16

Issued in compliance with Order in Case 15-G-0284, dated June 15, 2016

Leaf : 9.1

Revision: 3

Superseding Revision: 1

GENERAL INFORMATION

**2. RULES RELATING TO THE INSTALLATION OF MAINS, SERVICES, EXTENSIONS, ETC.:
(CONT'D)**

H. Customer Charges for Additional Facilities: (Cont'd)

- (3) In areas where gas service is supplied directly from high pressure pipelines used for transmission of gas at pressures in excess of those carried in pipelines utilized for distribution purposes, the Company shall, at the Customer's expense, furnish and install the necessary field regulator or regulators required to reduce the pressure at the high pressure pipeline to a suitable distribution pressure; said regulator or regulators and required fittings and connections to be installed at the point of connection between the Customer's service line and the high pressure pipeline. The Company shall also, at the Customer's expense, furnish and install a safety device so adjusted as to operate and relieve any pressure on the Customer's service line deemed by the Company to be unsafe or too high for satisfactory service. The Company shall also, at the Customer's expense, furnish and install satisfactory housing for the regulator equipment and for the meter to be installed by the Company.

The Company shall, at its expense, furnish, install and maintain a suitable service regulator as provided to customers in areas served by medium pressure distribution facilities and, also, a suitable meter for the measurement of the gas. In addition, the Company shall, upon reasonable notice, in the interest of safety, or satisfactory service, provide adjustment or maintenance service on all pressure regulating equipment; however, any materials which may be required in the servicing and maintenance of regulating equipment furnished at the customer's expense shall be subject to charges in accordance with Section 8.D.(1) and 8.J.(1) of this Schedule.

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LEAF: 9.2
REVISION: 3
SUPERSEDING REVISION: 1

GENERAL INFORMATION

2. RULES RELATING TO THE INSTALLATION OF MAINS, SERVICES, EXTENSIONS, ETC.: (CONT'D)

H. Customer Charges for Additional Facilities: (Cont'd)

- (4) In the event that a customer is authorized (by the Company or by the PSC, whichever is required in each instance) to transfer an existing gas allotment to a different location, the Customer must pay for all costs associated with the installation of a new service lateral or main extension, if these facilities do not exist at the new location.

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REVISION: 4
SUPERSEDING REVISION: 2

GENERAL INFORMATION

6. INSPECTION:

Before service is supplied at any location, the customer must provide the Company with satisfactory proof that the piping and associated equipment which has been installed has been inspected and approved by any legally constituted authorities having jurisdiction, and in accordance with the rules of the Company. If additional piping or equipment is installed on such premises, the customer shall secure approval as indicated above and present the Company with satisfactory proof of such approval. The Company, at its discretion, shall have the right to perform reasonable inspections of all piping and associated equipment located on a premises to which gas service is to be or is being supplied.

7. SERVICE CONNECTIONS/METER:

A. General:

The Company shall furnish and install the meter to measure the gas used by the customer in accordance with the provisions of the Service Classification applicable to the service. Such meter may be installed on the Customer's side of the point of supply and shall remain the property of the Company.

Any appliances or devices furnished at the expense of the Company shall remain its property and may be removed by it at any time on the termination of the agreement or the discontinuance of service.

GENERAL INFORMATION

7. SERVICE CONNECTIONS/METER: (CONT'D)

A. Company Property: (Cont'd)

The Customer shall be responsible for the safekeeping of the property of the Company on his premises and shall take all reasonable precaution against unlawful interference with such property.

The Customer shall not interfere with or alter the meters, seals, or other property used in connection with rendering gas service, or permit same to be done by others than the authorized agents or employees of the Company. Damage caused directly or indirectly by the Customer to the Company's property shall be paid for by the Customer.

Outdoor Meters: Meters shall be installed outside, whenever feasible, for all new one, two, or three family houses. A remote meter reading device shall be installed for all new one, two and three family houses where an outside meter installation is not feasible.

If a meter or service has been found to be tampered with, or a theft of service has occurred, the Company may charge the Customer its costs and expenses for investigating, repairing and removing the meter and installing it in a secure location.

B. Inspection and Examination of Company Apparatus:

(1) Access to Premises:

Any employee or agent of the Company who exhibits a photo-identification badge and written authority as provided in Section 65(9) of the Public Service Law has the authority, to enter at all reasonable times the Customer's premises supplied with gas for the purpose of:

- (a) reading a meter to ascertain the quantity of gas supplied; and
- (b) inspecting and examining the meters, pipes, fittings and works for supplying or regulating the supply of gas. Inspecting and examining the meters, pipes, fittings and works for supplying gas to residential customers is limited to a non-holiday workday between 8 a.m. and 6 p.m., or at such other reasonable times as requested by a customer except for:
 - (i) inspection and examination of any such equipment where an emergency may threaten the health and safety of a person, the surrounding area, or the Company's distribution system; or
 - (ii) inspection and examination of any such equipment may be conducted between the hours of 8 a.m. and 9 p.m. on any day when there is evidence of meter tampering or theft of services.

GENERAL INFORMATION

7. SERVICE CONNECTIONS/METER: (CONT'D)

B. Inspection and Examination of Company Apparatus: (Cont'd)

(1) Access to Premises: (Cont'd)

A properly identified employee authorized to inspect and examine apparatus, may not enter a locked premises without the permission of the person lawfully in control on the premises, nor use any manner of force to carry out inspection and examination, except when an emergency may threaten the health or safety of a person, the surrounding area, or the Company's distribution system, or where authorized by a court order.

(2) Duty to Inspect:

The Company shall conduct a field inspection of non-residential apparatus as soon as reasonably possible and within 60-calendar days, except where prevented by circumstances beyond the Company's control when there is:

- (a) a request contained in a service application; or
- (b) a reasonable customer request; or
- (c) the issuance of a field inspection order in accordance with a Company utility bill review program; or
- (d) notification from any reasonable source that service may not be correctly metered; or
- (e) a directive by the PSC or its authorized designee.

(3) Penalty:

A non-residential customer who, at any time, directly or indirectly prevents or hinders a duly authorized officer or agent of the Company from entering the premises, or from making an inspection or examination, at any reasonable time, may be billed a \$100.00 penalty charge for each such offense as provided in Section 65(9)(b) of the Public Service Law.

GENERAL INFORMATION

7. SERVICE CONNECTIONS/METER: (CONT'D)

B. Inspection and Examination of Company Apparatus: (Cont'd)

(4) Other Rights:

Nothing contained in this section shall be construed to impair the Company's rights as to any other person who prevents access to the Company – or customer-owned meters and/or equipment.

C. Notice to Company of Escape of Gas:

Customers are required to give immediate notice to the Company of any escape of gas, as no deduction shall be made from the registration of the meter. In case of a leak, the meter cock must be immediately closed and no flame taken near the escape until after full and free ventilation.

D. Right to Shut Off Supply of Gas:

Should any leak in the mains, pipe, service pipe, fixtures or connections be reported to or discovered by any employee of the Company, the Company shall have the right to shut off the supply of gas until satisfactory repairs have been made. Disconnections shall be made pursuant to Rule 8.E.11 of this Schedule.

8. BILLING AND COLLECTIONS:

A. When Bills Are Due:

Bills of the Company are due: (1) upon receipt; (2) if mailed, three days after mailing; or (3) if electronically provided, the date posted. Bills are payable at any office of the Company, to any authorized collector, via U.S. Mail, Electronic Funds Transfer, or the Internet.

B. Late Payment Charge:

- (1) A monthly late payment charge shall be assessed at a rate of 1 ½% per month on a customer's unpaid balance, including service billing arrears and unpaid late payment charges pursuant to 16 NYCRR Sections 11.15(a) and 13.10(a) which provide that utilities may impose late payment charges. Remittance mailed on the "last day to pay" date shall be accepted without the late payment charge, the postmark to be conclusive evidence of the date of mailing. The failure on the part of the customer to receive the bill shall not entitle him to pay without the late payment charge after the "last day to pay" date. The "last day to pay" date shall be 23 days after the date on which the bill is rendered.

GENERAL INFORMATION

8. BILLING AND COLLECTIONS: (CONT'D)

B. Late Payment Charge: (Cont'd)

(2) Service to State Agencies shall be rendered in accordance with the provisions of Article XI-A of the State Finance Law (Chapter 153 of the Laws of 1984, effective July 1, 1984.)

(3) Application of late payment charges may be waived by the Company.

C. Rendition and Payment:

- (1) Bills shall be deemed rendered, and other notices duly given when delivered to the Customer personally or when mailed to the Customer at the premises supplied, or at the last known address of the Customer, or when left at either of such places or when posted electronically. Failure to receive such bill, either by mail, personally, or electronically shall not entitle the Customer to any delay in the settlement of each month's account nor to any extension of the date after which a late payment charge becomes applicable.

Payment by mail properly stamped, addressed, and mailed on or before the past due date indicated on the bill as evidenced by a United States postmark, shall be deemed to be payment prior to the application of late payment charges. Payment made via Electronic Funds Transfer ("EFT") shall be deemed paid on the date that funds are transferred from the Customer's bank account. A request by the Customer for adjustment of bills or any other complaint does not extend the date of the undisputed portion of bills which have been duly rendered.

Customers receiving standard bills produced and issued by the Company's automated billing system, excluding specialized bills, may elect to receive and pay bills through a participating bank or vendor under the Company's On-Line Billing ("OLB") option. Under OLB, a bill shall be deemed rendered when posted electronically. Payment under OLB shall be considered made prior to the past due date if the Customer's bank, vendor, or authorized collector indicates that such a Customer's payment was made by the past due date as indicated on the bill.

GENERAL INFORMATION

8. BILLING AND COLLECTIONS: (CONT'D)

E. Termination of Service: (Cont'd)

- (5) Days and Time When Termination of Service is Not Permitted: (Cont'd)
- (b) Non-residential - The Company shall not terminate service, except as provided by Rule 8.E.11, for non-payment of bills or failure to post a required deposit or failure to provide access on:
 - (i) A Saturday, Sunday or public holiday; or
 - (ii) A day on which the business offices of the Company or the Commission are closed.
 - (c) Disconnections shall only be made between the hours of 8:00 a.m. and 6:00 p.m., except that on days preceding the days listed in (b)(i) and (ii) above, termination may only occur after 3:00 p.m. if the customer is informed by personal contact prior to termination that termination is about to occur and the Company is prepared to accept a check for payment required to avoid termination. The term public holiday as used in (a) and (b) refers to those holidays defined in the General Construction Law.
- (6) Payment at the Time of Termination - **Non-Residential** Only:
- (a) If a non-residential customer claims, at the time that termination for non-payment is to take place, that payment has already been made and produces a written business record of payment, or claims that there is a complaint pending before the Company or the PSC with regard to the charges demanded, the Company's field representative shall make a reasonable effort to verify this information with a Company office representative and shall not terminate service for non-payment of any verified disputed amount.
 - (b) If a customer offers payment of the full amount that forms the basis for a scheduled termination at the time of termination, the Company's representative shall accept such payment and not terminate service.
 - (c) If an eligible customer signs a DPA pursuant to Section 8.G. of this Schedule, for the full amount that forms the basis for a scheduled termination and offers payment of the required down payment at the time of termination, the Company representative shall accept such down payment and not terminate service. If the Company allows the Customer an extension of time to go to a business office to sign the DPA, and the Customer agrees to do so and offers payment of the required down payment, the Company representative shall accept such down payment and not terminate service; provided, however, that the Company may terminate service without further notice if the Customer fails to sign the DPA within the specified time.

GENERAL INFORMATION

8. BILLING AND COLLECTIONS: (CONT'D)

E. Termination of Service: (Cont'd)

(6) Payment at the Time of Termination - **Non-Residential** Only: (Cont'd)

- (d) If a customer has, within the last 24 months, paid for service with a check that was dishonored, the Company has the right to accept only cash, certified check, or money order as payment under Sections 8.E.(6)(b) or 8.E.(6)(c) of this Schedule.
- (e) Whenever payment is made at the time of termination, the Company's field representative shall provide the Customer with a receipt showing the date, the account number, the amount received, the form of the payment and either the name or identification number of the Company representative.

(7) Voluntary Third Party Notice Prior to Termination of Service:

The Company shall permit a residential customer to designate a third party to receive a copy of every notice of termination of service sent to such residential customer, provided that such third party indicates in writing his or her willingness to receive such notices. Residential customers shall be notified annually of the availability of the third party notice procedure.

(8) No Additional Notice Required When payment by Check is Subsequently Dishonored:

Receipt by the Company of a subsequently dishonored negotiable instrument in response to a notice of termination shall not constitute payment of the customer's account, and the Company is not required to issue additional notice prior to termination. The Company shall charge the customer a handling charge as provided for under General Obligations Law Section 5-328.

(9) Termination of Service to Multiple Dwellings:

(a) Entire Multiple Dwellings:

The Company shall not terminate service to an entire multiple dwelling (as defined in the Multiple Dwelling Law or the Multiple Residence Law) unless the notices specified in Section 33 of the Public Service Law have been given, provided that where any of the notices required thereunder are mailed in a post-paid wrapper there shall be no termination of service until at least 18 days after the mailing of such notices.

GENERAL INFORMATION

8. BILLING AND COLLECTIONS: (CONT'D)

E. Termination of Service: (Cont'd)

(12) Termination of Service in Regard to the Purchase of ESCO Accounts Receivable Program (POR)

Non-Residential Customers

The Company is authorized to disconnect its delivery service and the ESCO's commodity service, in accordance with 16 NYCRR Part 13, to non-residential customers where (i) the customer fails to make full payment of all amounts due on the consolidated billing; (ii) the Company has purchased the ESCO receivable; and (iii) the ESCO furnishes the Company an affidavit from an officer of the ESCO representing to the Company that the ESCO has notified its current non-residential customers and shall notify its future non-residential customers that the Company is permitted to disconnect the customer for non-payment of the ESCO charges. The ESCO shall indemnify the Company for any cost, expense, or penalty if the customer's service is discontinued for non-payment and the customer establishes that it did not receive such notification. ESCOs participating in the POR waive the right to seek termination for non-payment of ESCO commodity service and/or to request suspension of the Company's distribution service.

Residential Customers

The Company, in accordance with applicable provisions of law, may disconnect its delivery service and the ESCO's commodity service (collectively, "utility service") to residential customers who fail to make full payment of all amounts due on the consolidated billing, including the amount of the purchased ESCO receivables. A residential customer disconnected from utility service under the POR shall be reconnected to service upon the payment of the arrears that were the subject of the disconnection, which may include both delivery and supply charges, or a lesser amount as specified in Public Service Law Section 32(5)(d). ESCOs participating in the POR waive the right to seek termination of ESCO commodity service and/or to request suspension of the Company's distribution service.

(13) Termination of Residential Service Special Procedures

Special emergency procedures, required by 16 NYCRR Part 11.5 provide special protections for specified residential customers regarding the termination and restoration of service in cases involving medical emergencies, the elderly, blind or disabled, and terminations during cold weather. Copies of the Company's special procedures are on file with the Commission and are available to the public upon request at Company offices where applications for service may be made.

GENERAL INFORMATION

8. BILLING AND COLLECTIONS: (CONT'D)

- 0. Customer Deposit
 - (1) Deposit Requirements

Residential

The Company may require a customer deposit from seasonal or short-term customers taking service for a term that does not exceed one year, from applicants who do not provide proof of their identity upon application for service, and from customers as a condition of receiving utility service if such customer is delinquent in payment of his or her utility bills. A customer is delinquent for the purpose of a deposit assessment if such customer:

- (a) accumulates two consecutive months of arrears without making reasonable payment, defined as one-half of the total arrears, of such charges before the time that a late payment charge would become applicable, or fails to make a reasonable payment on a bi-monthly bill within 50 days after the bill is due; provided that the Company requests such deposit within two months of such failure to pay; or
- (b) had utility service terminated for non-payment during the preceding six months.

Customers included in Rule 8.O.(1) above shall be provided a written notice, at least 20 days before the deposit is assessed, that the failure to make timely payment shall permit the Company to require a deposit from such customer. If a deposit from a customer who is delinquent by virtue of his or her failure to make a reasonable payment of arrears, is required, the Company shall permit such customer to pay the deposit in installments over a period not to exceed 12 months.

GENERAL INFORMATION

8. BILLING AND COLLECTIONS: (CONT'D)

Q. Budget Billing: (Cont'd)

(2) Non-Residential: (Cont'd)

(b) Budget billing plan will: (Cont'd)

- (v) when the budget billing amount is revised, provide the customer with a general description of such revised calculation, and a telephone number to be called for a more detailed explanation of the revision; and
- (vi) limit enrollment in the plan to a time of year when the customer shall not be subject to undue disadvantage.

(c) Removal from Budget Billing Plan:

- (i) A customer may request that the Company remove the customer from the budget billing plan and reinstate regular billing at any time. Within 10 business days of the request, the Company will issue either a final budget settlement bill or the next cycle bill with any necessary adjustments.
- (ii) The Company may only remove a customer from its budget billing plan if the customer becomes ineligible under Section 8.Q.(2)(a) of this Schedule, provided that the Company has given the Customer an opportunity to become current in payment. If delinquency is the cause of the customer's ineligibility, such opportunity need only be given once in any 12-month period.

R. Service Guarantee

The Company guarantees to keep service appointments made at the customer's request. If the Company does not keep an appointment within the timeframe agreed upon, a credit will be applied to the customer's next bill. The credit will be \$20.00.

Service guarantees do not apply to appointments made for the same day the customer requests service or if events beyond the Company's control, such as severe weather, prevent the Company from performing as planned.

S. Metered

The extent of the customer's use of the Company's service shall be determined by the readings of the meters installed by the Company.

T. Cessation of Service

Cessation of service means that the taking of all service by the customer at a given locality shall entirely cease for not less than 30 days. The term as defined in each service classification is applicable to each customer, but a change of location does not constitute a discontinuance of service for the purpose of determining the length of time during which customer has taken service.

GENERAL INFORMATION

8. BILLING AND COLLECTIONS: (CONT'D)

U. Historic Meter Read and Billed History Data

Data shall be provided to Customers and their designees as described below.

Meter read and billed history data shall be provided only at the written or verbal request of the customer offering reasonable proof that the requesting party is the customer of record or premise owner. Premise owners providing reasonable proof of identification, who are not the current customers of record, may obtain history only of premises that they own. Supplied historical meter read or billed history shall be limited by the extent the historical data is available.

The Company shall disclose a customer's meter read or billed history data to a Customer's designee only upon receipt of a signed document from the designee and with the written consent of the customer. All historical customer information obtained by the designee from the Company must be kept confidential and cannot be disclosed to others unless otherwise authorized by the customer. This information shall include account numbers and service addresses.

The following fees shall be charged to fulfill any individual request for meter read data, billed history, or both simultaneously, for a single Customer service point:

- (1) No fee for the first two requests within a 12-month period for the most recent 24 months of data, or for the life of the account if less than 24 months.
- (2) \$15.00 in total for each additional request in a 12-month period for the most recent 24 months of data beyond two requests.
- (3) \$15.00 in total for each request beyond the most recent 24 months of data, up to and including six years of available data.

The fees detailed in this paragraph shall be payable by the requestor.

Historical meter read data shall include: account number, premise address, tax district, meter multiplier, service point identifier, meter number, read date, meter reading, consumption, as applicable, for each billed period, and type of meter read (company, customer, or estimated).

Class average profiles and actual load shapes for Customers with interval meters shall also be supplied.

Billed history shall include: account number, premise address, billed dates, billed meter reads, consumption billed as measured in Mcfs or Ccfs, type of meter read (company, customer or estimate), and total dollar amount billed for each billed period.

V. Length of Term

The term shall begin on the date service is made available, and shall continue until service is discontinued as provided in applicable Service Classifications.

9. SUBMETERING OF GAS SERVICE:

A. Residential Service:

Gas service shall not be supplied under any of the Company's service classifications for resale, remetering (or submetering), or other redistribution to tenants or occupants, except that any customer may furnish gas for the use of their tenants or occupants, provided that the customer shall not resell, make a specific charge for, or remeter (or submeter) or measure any of the gas so redistributed or furnished.

GENERAL INFORMATION

9. SUBMETERING OF GAS SERVICE: (CONT'D)

B. Commercial and Industrial Service:

Gas customers may petition on a case-specific basis for permission to submeter. Landlords may be permitted to submeter commercial and industrial tenants upon the filing with the Public Service Commission of a petition and application that resolves the concerns of safety, rates, and consumer protection by establishing conditions governing the submetering. The petition and application must be served on the Company and all affected tenants. Unless otherwise acted upon within 75 days of filing, the application shall be deemed approved at the end of that period.

The four major concerns which shall be addressed in any application are: (1) safety; (2) price impact for the ultimate customer; (3) non-price customer protection issues; and (4) service provider and Company matters. A successful application shall sufficiently address each of the aforementioned four areas as elaborated below:

(1) Safety:

Customers petitioning for permission to submeter must ensure that its installation shall comply with all applicable codes and regulations. The application must contain the name, address, and telephone number of the person or entity responsible for repair, safety and maintenance, and affirm that both tenants and the Company shall be furnished with this information.

Where such submetering of gas shall result in pipes pressurized at 2.0 psi or above, the submeterer, besides providing the Company with such information on the operator of the submetering system, must identify all personnel installing or maintaining the system, and must provide the Company with evidence certifying that those personnel are trained and qualified to work on high-pressure gas piping. Submeterer shall also show that those facilities served off such high pressure lines, that do not require high pressure, shall have the appropriate regulation and follow the required venting guidelines. The submeterer shall update the evidence whenever new personnel are assigned to perform installation, repair, or maintenance tasks.

The Company shall respond in the event of any emergency or gas leak.

GENERAL INFORMATION

9. SUBMETERING OF GAS SERVICE: (CONT'D)

B. Commercial and Industrial Service: (Cont'd)

(2) Prices:

The submeterer shall commit to charge gas prices which do not exceed those tariffed by the Company for similar service. Submetering which results in higher prices than those tariffed for end-users shall result in denial of the application.

(3) Other Customer Protection Issues:

(a) Dispute Resolution:

All applications must provide for an effective and objective dispute resolution process.

(b) Meter Accuracy:

Meter accuracy must be assured. Submeterers must devise and adhere to conditions providing for periodic master meter readings and reconciliation of those readings to the submetered customers' meters.

Meter calibration must be assured. Submeterer must promise to calibrate meters any time they are installed or repaired or on an annual basis if requested by the submetered customer.

Submeterer shall guarantee that only meter models approved by the Company and the PSC shall be installed.

(c) End-User Notification Requirements:

Prior to termination of service to a submetering customer, the Company shall seek to inform submetered tenants of the termination through posting notices, mailing, or any other method the Company believes most likely to reach the greatest number of submetered tenants.

Submeterer shall provide to the Company, on a timely basis, a listing of all submetered customers' names, addresses, phone numbers, and contact names to ensure that the Company can contact submetered customers. Submeterer shall update such list every time there is a change to any portion of the required information.

GENERAL INFORMATION

10. CONDITIONS OF GAS SERVICE:

Until further order of the PSC, applications shall be accepted and service shall be rendered to any new gas customer and additional gas supplied to existing customers subject to the following conditions:

A. Discontinuance or Curtailment of Service

(1) Company's Right to Curtail or Limit Service

The Company may curtail or discontinue service in whole or in part, of daily, monthly, seasonal or annual quantities without incurring thereby any liability for any subsequent loss or damage which the Customer may sustain by reason of such curtailment or discontinuance, in order to conserve the supply of gas for existing domestic uses and uses deemed to be necessary for the protection of public health and safety and to avoid undue hardship. If the Company finds it necessary to curtail service, the Company may curtail service to a Customer or give oral or written notice of curtailment. If notice of curtailment is given, a customer must curtail its use of service pursuant to the notice.

The Company shall only implement a curtailment as a last resort. Economic considerations shall not be the basis for a curtailment. Mutual aid, contractual and other non-curtailment supply management tools, Operational Flow Orders, interruption of contractually-interruptible load, and supply acquisition shall be utilized before a curtailment is declared.

In the event the Company reasonably foresees an inability to meet the firm daily requirements of core sales or transportation customers, the Company shall have the right to curtail or limit any customer's use of gas. Curtailments shall be limited in scope and duration as necessary to alleviate an emergency. To the extent possible, curtailments shall be localized. The Company shall not incur any liability for any cost, expense, loss or injury which may be sustained by reason of such curtailment or limitation.

In the event of a loss of supply due to force majeure circumstances including but not limited to major physical upstream failures beyond the control of the Company or the ESCOs (e.g. pipeline ruptures, widespread well freeze-offs, etc.), the Company shall endeavor to implement all curtailment plans in a nondiscriminatory manner, without regard to which ESCO (or the Company) provides gas service to those customers which may be curtailed. Notwithstanding the above, the Company shall take any and all actions which, in its sole judgment, are required to maintain system integrity.

As part of the implementation of these curtailment procedures, the Company's Gas Emergency Plan shall be put into effect. In the event of an emergency, the Company may deviate from Rule 10.A to the extent operational circumstances make it appropriate to do so. The Company shall exercise sound operational discretion, using these procedures as a general guideline.

For the purpose of this Rule 10.A., the term "commercial customers" shall include governmental and public authority customers. The term "core customers" is defined to include customers that lack alternatives. They take either (a) firm sales service, and lack installed equipment capable of burning fuels other than gas; or (b) firm transportation service. A non-residential customer is a person, corporation or other entity receiving service who is not a residential customer as defined in 16 NYCRR11.

GENERAL INFORMATION

10. CONDITIONS OF GAS SERVICE: (CONT'D)

A. Discontinuance or Curtailment of Service (Cont'd)

(2) Curtailment Notification Process

The Company shall notify the Director of the Office of Electric, Gas and Water of the New York State Department of Public Service when a curtailment is declared and when the situation returns to normal. Additional notification shall be provided to the Energy Service Companies (ESCOs) and curtailed customers periodically during the curtailment period.

(3) Customer Compliance

Customers are required to comply with the requirements of the curtailment. The allowed curtailment amount may be equivalent to, or a portion of, the customer's base level of usage. Any customer's failure to comply shall result in a penalty as described below.

(4) Penalties

Any customer who fails to comply with the Company's curtailment instructions may be charged a penalty the greater of: (a) \$2.50 per therm, or (b) three times the market price on use above the customer's allowed curtailment amount. The market price during a curtailment is defined for respective pooling areas for under deliveries as defined in Rule 8.A.(6) of P.S.C. No. 88. In the event additional supplies are made available, the Company shall have the right, without obligation, to waive any penalty charges incurred under this section.

The payment of a penalty for unauthorized overrun shall not under any circumstance be considered as giving a customer the right to exceed established allotments, nor shall such payment be considered as a substitute for any other remedies available to the Company against the offending customer for failure to respect its obligation to adhere to the provisions of the Company's filed tariff.

(5) General Curtailment Procedures

In the event of interruption or a force majeure curtailment situation due to a supply deficiency, the needs of core customers shall be met first, regardless of whether they are customers of the Company or an ESCO. If the Company is unable to satisfy the full requirements of its customers and finds it necessary to curtail existing service due to a deficiency in its gas supply, the Company shall curtail service generally following the procedures set forth below. In the event of an emergency, the Company may deviate from these procedures to the extent operational circumstances make it appropriate to do so.

- (a) Reduce company-use gas to the extent possible by:
 - (i) Reducing usage of natural gas for electric generation;
 - (ii) Reducing the heating load at company facilities.

GENERAL INFORMATION

10. CONDITIONS OF GAS SERVICE: (CONT'D)

- (b) Contact dual-fuel customers and instruct them to switch to an alternate fuel (excluding plant protection.) These customers shall be asked to maintain their incoming gas supplies which shall be redirected to supply core customers.
- (c) Implement the New York Gas Group Standard Operating Procedure for the Pooling of Gas Supply and/or other mutual aid procedures if appropriate.
- (d) Issue public appeal for voluntary load reduction.
- (e) Request the County or Counties affected to declare a State of Emergency in order to close non-essential facilities.
- (f) Curtail large industrial and commercial transportation customers that have returned to sales service and the Company was unable to obtain a pipeline capacity contract to serve them to the minimum level required to maintain building protections;
- (g) Non-core requirements for customers with full facilities to burn an alternate fuel (in lieu of gas) and having annual requirements greater than 50,000 Dth/year. Curtailment shall be in order by size beginning with the largest customer.
- (h) Non-core requirements for customers with full facilities to burn an alternate fuel (in lieu of gas) and having annual requirements greater than 12,000 Dth/year. Curtailment to be in order by size beginning with the largest.
- (i) Industrial and commercial space heating boiler fuel requirements, air conditioning, electric generation, and other non-process purposes where the total base annual requirements are 12,000 Dth. or larger.
- (j) Curtail non-residential customers with annual requirements of 12,300 Dth. or larger, starting with the largest first.
- (i) In the event of non-compliance or if further curtailment is required, the Company may perform physical curtailment of the above customers.
- (k) Process requirements for which there are technically feasible alternative fuels, and industrial and commercial requirements for space heating (other than boiler fuel use), where the total base annual requirements are 12,000 Dth. or larger.
- (l) Industrial and commercial space heating boiler fuel requirements, air conditioning, electric generation and other non-process purposes, where the total base annual requirements are between 1,200 Dth. and 11,999 Dth inclusive;
- (m) Process requirements for which there are technically feasible alternate fuels, and industrial and commercial requirements for space heating (other than boiler fuel use), where the total base annual requirements are between 1,200 Dth. and 11,999 Dth. inclusive.

GENERAL INFORMATION

10. CONDITIONS OF GAS SERVICE: (CONT'D)

- (n) Process and feedstock requirements for which there are no technically feasible alternative fuels, where the total base annual requirements are 1,200 Dth. or more.
- (o) Plant protection requirements for customers curtailed in items a through n above;
- (p) Industrial and commercial requirements, where combined total base annual requirements are less than 1,200 Dth.
- (q) Residential requirements;
- (r) Reduce load by scheduling electric blackouts for brief periods of time (not to exceed thirty minutes) in the affected areas. Notify the public of the locations and durations of outages.
- (s) Give consideration to:
 - (i) the need to maintain gas service to emergency facilities providing shelter;
 - (ii) special provisions for life support and special needs customers.
- (t) Perform curtailments to remaining customers. These customers shall be curtailed based on location and ease of restoration:
 - (i) Location - areas of major system problems that are at risk of failing shall be curtailed first;
 - (ii) Ease of restoration - precautions shall be taken such that the low pressure distribution system shall be maintained.

(6) Restoration

When the Company determines that service can be restored to customers, it shall implement restoration procedures and shall notify the public of restoration status. Compensation shall be charged or credited through the settlement process mechanism described in Rule 8.A.(6) – Compensation for Diverted Gas, in P.S.C. No. 88. Such determination shall be considered final and binding on all parties. The normal settlement methodology shall not be used in cases where an ESCO's load was reduced at the request of, or due to the action of, the Company.

GENERAL INFORMATION

11. LIABILITY:

A. Continuity of Supply

The Company shall endeavor at all times to provide a regular and uninterrupted supply of service (except where the terms and conditions of a particular Service Classification provide otherwise), but 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, contractors, subcontractors, servants or agents, the Company shall not be liable therefore.

B. Customer's Equipment

Neither by inspection nor non-rejection, nor in any other way, does the Company give any warranty, expressed or implied, as to the adequacy, safety, or other characteristics of any structures, equipment, pipes, appliances, or devices owned, installed or maintained by the customer or leased by the customer from third parties.

C. Company Equipment

The Company shall not be liable for any injury, casualty, or damage resulting in any way from the supply or use of gas or from the presence or operation of the Company's structures, equipment, pipes, appliances or devices on the customer's premises, except injuries or damages resulting from the negligence of the Company.

12. UNUSUAL CONDITIONS AND INCREASED LOADS:

A. Where the Company cannot be assured that the business to be served shall be permanent, or where unusual expenditures are necessary to supply service because of the location, size, or character of the customer's installation, extensions shall be constructed only when customers' contributions toward the cost of the extension or other satisfactory arrangement is sufficient to compensate the Company for the investment and expense involved.

B. Customer should give the Company reasonable advance notice, preferably in writing, of any proposed increase in service required, setting forth in such notice the amount, character, and the expected duration of time the increased service shall be required. If such increase in load necessitates added or enlarged facilities (other than metering equipment) for the sole use of any non-residential space heating or industrial customer, the Company may require customer to make a reasonable contribution to the cost of adding or enlarging the facilities whenever customer fails to give assurance, satisfactory to the Company, that the taking of the increased service shall be of sufficient duration to render the supply thereof reasonably compensatory to the Company. The customer or the Company may apply to the PSC for a ruling as to the necessity for and reasonableness of the contribution required.

PSC NO. 90 Gas
NEW YORK STATE ELECTRIC & GAS CORPORATION
Initial Effective Date: 07/01/16
Issued in compliance with Order in Case 15-G-0284, dated June 15, 2016

Leaf No: 90
Revision: 13
Superseding Revision: 11

GENERAL INFORMATION

14. GAS SUPPLY CHARGE (GSC):

A. Applicability

- (1) The GSC shall be applicable to all customers taking service pursuant to Service Classification Nos. 1, 2, 5, 9 and 10 of P.S.C. No. 87 Gas, or superseding issues thereof.
- (2) The applicable GSC, per Therm of usage, shall be charged to customers by prorating the GSCs in effect for heating load during the billing period based on the number of degree days each GSC was in effect during the billing period. For non-heating load, the applicable GSC, per Therm of usage shall be charged by prorating the GSCs in effect during the billing period based on the number of calendar days each GSC was in effect during the billing period.

B. Monthly GSC Calculation

- (1) A monthly GSC shall be calculated for each applicable service classification.

GENERAL INFORMATION

14. GAS SUPPLY CHARGE (GSC): (CONT'D)

B. Monthly GSC Calculation: (Cont'd)

- (2) Each monthly GSC shall be the sum of the Total Average Cost of Gas, the Pipeline Refund, the Annual Reconciliation Adjustment, the Interim Reconciliation Adjustment and other PSC approved adjustments.

C. The Total Average Cost of Gas is: (1) the sum of: (a) the Average Demand Cost of Gas and the Gas Cost Savings Adjustments attributable to demand costs multiplied by the Load Factor Adjustment (LFA), (b) the Average Commodity Cost of gas, and (c) the Gas Cost Savings Adjustments attributable to commodity costs; multiplied by the Factor of Adjustment (FOA); plus (2) the Merchant Function Charge (MFC).

- (1) The Average Demand Cost of Gas shall be determined by applying the expected rates and charges of transporters, storage providers, and suppliers to the associated annualized billing determinants associated with transportation capacity, storage capacity and supply reservation for the period during which the GSC is to be effective;
- (a) Plus other supplier charges;
 - (b) Less Standby Demand Charges received pursuant to Service Classification No. 6 of P.S.C. No. 87 - Gas, or superseding issues thereof;
 - (c) Less Monthly Charges pursuant to Service Classification No. 17 of P.S.C. No. 88 - Gas, or superseding issues thereof;
 - (d) Less Monthly Charges pursuant to Service Classification No. 11 of P.S.C. No. 88 - Gas, or superseding issues thereof;
 - (e) Less demand charges associated with customers reserving sales status;
 - (f) Plus/minus applicable fixed risk management costs;
 - (g) Less revenue associated with the Capacity Component and the Reliability Surcharge Component of the TS, as set forth in General Information Section 16 of this Schedule; and then
 - (h) Plus/minus applicable revenues associated with the Contribution to Storage Capacity Costs pursuant to Service Classification No. 18 of P.S.C. No. 88-Gas, or superseding issues thereof.
 - (i) Plus the market price compensation that the Company paid to ESCO Direct Customers for gas diverted during a curtailment situation, as defined in Section 8.A.6 Compensation for Diverted Gas, of P.S.C. No. 88 - Gas.

PSC NO: 90 GAS
NEW YORK STATE ELECTRIC & GAS CORPORATION
Initial Effective Date: 07/01/16
Issued in compliance with Order in Case 15-G-0284, dated June 15, 2016

Leaf: 90.1.1
Revision: 3
Superseding Revision: 1

GENERAL INFORMATION

14. GAS SUPPLY CHARGE (GSC): (CONT'D)

C. The Total Average Cost of Gas is: (Cont'd)

(1) The Average Demand Cost of Gas: (Cont'd)

(j) The forecasted weather normalized quantities of gas to be taken for delivery to the Company's firm sales customers during the 12 calendar months ending the following August 31.

(2) The Average Commodity Cost of Gas shall be the commodity cost determined by applying the variable rates and charges of the transporters, storage providers and suppliers to the billing determinants associated with transportation, storage and gas supply for the forecasted weather normalized quantities of gas to be taken for delivery to the Company's sales customers during the month in which the GSC shall be in effect;

GENERAL INFORMATION

14. GAS SUPPLY CHARGE (GSC): (CONT'D)

C. The Total Average Cost of Gas is: (Cont'd)

(3) Gas Cost Savings Adjustments: Consistent with the provisions pursuant to the Company's September 12, 2002 Joint Proposal, as approved by the PSC in its November 20, 2002 order in Cases 01-G-1668 and 01-G-1683, the Gas Cost Savings Adjustments represent three distinct provisions for the sharing of gas supply cost savings. The Gas Cost Savings Adjustments shall include the Merger Saving Adjustment set forth in 14.C.(3)(a), the Gas Cost Incentive Mechanisms (GCIMs) set forth in 14.C.(3)(b) through 14.C.(3)(d) and the Gas Cost Savings Investment Recovery Mechanism (IRM) set forth in 14.C.(3)(e).

(a) Merger Savings Adjustment:

- (i) The Merger Savings Adjustment provides for the sharing of net supply savings arising from the merger of Energy East and RGS. Net supply savings attributable to the merger of Energy East and RGS shall be shared 50% customers and 50% Company for the first five 12-month periods after the merger (i.e., through June 30, 2007). Thereafter, the Company's gas customers shall receive 100% of the net synergy savings attributable to gas supply.
- (ii) The Mergers Savings Adjustment is a charge that shall be calculated and recovered on a quarterly basis. The Merger Savings Adjustment is calculated by dividing the Company share of the savings determined in C.(3)(a)(i) by the forecasted weather normalized quantities of gas to be taken for delivery to the Company's firm sales customers during the applicable three month period. The claimed recovery shall be supported by a compliance filing, as part of the monthly GSC filing, that demonstrates the total supply savings achieved for the applicable quarter, including all documentation and workpapers supporting the claimed savings.

PSC NO: 90 GAS
NEW YORK STATE ELECTRIC & GAS CORPORATION
INITIAL EFFECTIVE DATE: 07/01/16
Issued in compliance with Order in Case 15-G-0284, dated June 15, 2016

LEAF: 90.4
REVISION: 6
SUPERSEDING REVISION: 4

GENERAL INFORMATION

14. GAS SUPPLY CHARGE (GSC): (CONT'D)

C. The Total Average Cost of Gas is: (Cont'd)

(3) Gas Cost Savings Adjustments: (Cont'd)

(b) Gas Cost Incentive Mechanism:

- (i) 100% of the savings attributable to migration capacity release shall be for the benefit of customers.
- (ii) There shall be an 85%/15% sharing between customers and shareholders of:
 - 1. Company non-migration capacity release; and
 - 2. Company off-system sales net of gas cost;
- (iii) There shall be an 80%/20% sharing between customers and shareholders of savings from local production.

PSC No: 90 - Gas

NEW YORK STATE ELECTRIC & GAS CORPORATION

Initial Effective Date: 07/01/16

Issued in compliance with Order in Case 15-G-0284, dated June 15, 2016

Leaf No. 90.5.1

Revision: 5

Superseding Revision: 3

GENERAL INFORMATION

14. GAS SUPPLY CHARGE (GSC): (CONT'D)

C. The Total Average Cost of Gas is: (Cont'd)

(3) Gas Cost Savings Adjustments: (Cont'd)

(c) Reserved for Future Use

GENERAL INFORMATION

14. GAS SUPPLY CHARGE (GSC): (CONT'D)

C. The Total Average Cost of Gas is: (Cont'd)

(4) Load Factor Adjustment (LFA):

- (a) A LFA shall be applicable to each service classification of each GSA.
- (b) At a minimum, the LFAs shall be updated by the Company annually such that the weighted average LFA for each GSA shall total one. The weighted average LFA is calculated by multiplying the LFA of each service classification by the ratio of sales for each service classification to total sales.

(5) Factor of Adjustment (FOA):

- (a) The Company incorporated recommendations provided for in the NYPS&C Staff White Paper on Lost and Unaccounted for Gas issued on January 27, 2012 with the following clarifications:
 - (i) Adjustments to the fixed FOA are allowed for exogenous events. Exogenous events would include, but are not limited to, events such as flooding and significant theft of service that are outside the Company's control.
 - (ii) Adjustments to the fixed FOA are allowed for significant and unanticipated impacts due to the restructuring of the natural gas industry in New York State. Any adjustment shall apply to the calculation of the actual FOA in any given year for incentive purposes.
- (b) The FOA reflects lost and unaccounted for quantities and company use. The FOA is 1.00181 for all RAs. The provision is effective through August 31, 2016.
- (c) The FOA shall be reset on January 1 based on an average of the actual lost and unaccounted volumes for the immediately preceding three 12-month periods ending August 31, except that any negative losses should be replaced with a zero when calculating the average. This provision is effective through August 31, 2016.
- (d) The FOA shall not be reset if the average result from those periods is within plus or minus five percent of the FOA then in effect. This provision is effective through August 31, 2016.
- (e) Effective September 1, 2016:
The Company shall update the five-year average LAUF to five years ending August 31, 2015.
 - (i) The FOA is set at 1.00030;
 - (ii) The Lost and Unaccounted for Gas (LAUF) Target is set at 0.030%;
 - (iii) The dead band upper limit is set at 0.280%;
 - (iv) The dead band lower limit is set at 0.000%.

GENERAL INFORMATION

14. GAS SUPPLY CHARGE (GSC): (CONT'D)

C. The Total Average Cost of Gas is: (Cont'd)

(5) Factor of Adjustment (FOA): (Cont'd)

(f) System Performance Adjustment (SPA):

- (i) The SPA adjustment mechanism shall recover or refund gas costs for actual LAUF greater or lesser than the Target LAUF within the dead band as defined in Rule 14.C.(5)(e) above for all firm sales and transportation customers;
- (ii) Effective January 1, 2018 and each subsequent 12-month period starting January 1st and thereafter, a SPA per therm rate shall be applicable to Service Classification Nos. 1, 2, 5, 9, 10 and 11 sales customers and Service Classification Nos. 1T, 5T, 13T, 14T, 16T and 19T transportation customers. The SPA per therm rate shall be a credit if the actual system LAUF percentage is less than the LAUF Target or surcharge if the actual system LAUF percentage exceeds the LAUF Target during the 12-month period ending the previous August.
- (iii) The SPA per therm rate is set forth on the Gas Supply Charge Statement and the Statement of Transition Surcharge in P.S.C. 88 – Gas.

(6) Merchant Function Charge (MFC):

The MFC will be applicable to only those customers taking gas supply service from the Company. A separate MFC will be calculated for residential and non residential customers

i) 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 Commodity Hedge Margin costs;
- e) Cash Working Capital on Storage Inventory Carrying Costs; and
- f) Prior Period Reconciliation.

GENERAL INFORMATION

14. GAS SUPPLY CHARGE (GSC): (CONT'D)

C. The Total Average Cost of Gas is: (Cont'd)

(6) Merchant Function Charge (MFC): (Cont'd)

ii.) 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 gas supply cost.

b) Commodity-related Credit and Collections and Call Center costs

- The Credit and Collections and Call Center Cost 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.

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 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 recent available twelve month period and the most recent sales forecast.

e) Cash Working Capital on Storage Inventory Carrying Costs.

- The carrying charge used in the determination of monthly storage working capital costs shall be the Company's authorized pre-tax rate of return on the base storage level and the Commission's currently-effective Other Customer Capital rate on monthly amounts above the base storage level. The base storage level is defined as the lowest monthly balance.
- This component shall be reconciled annually to actual applicable costs for the period.
- Additionally, this component shall be updated annually to reflect actual costs from the most recent available twelve month period and the most recent sales forecast. .

GENERAL INFORMATION

14. GAS SUPPLY CHARGE (GSC): (CONT'D)

D. Pipeline Refund:

- (1) The Company shall pass back to customers any refund, including applicable interest on any unrefunded balance, received from a pipeline as follows:
 - (a) All refunds received each month shall be combined for purposes of determining the refund credit. The rate of refund shall be computed by dividing the total amount to be refunded by the corresponding estimated sales for the next successive 12 calendar months provided. All refunds concluded during the 12-months ending August 31 of each year shall be reconciled with amounts intended to be refunded during that period with any difference applied to the Annual Surcharge or Refund Computation.
 - (b) Interest shall be computed on the unrefunded balance from the date of receipt of the refund until the refund is returned to the customers at the rate prescribed by the Commission.
 - (c) If gas supply credits (e.g. pipeline refunds) are received by the Company in any month, such credits shall be returned through the monthly Gas Supply Charge. The Company shall not retain any gas supply credits. To the extent a pipeline passes back a refund directly to the Company, rather than to the ESCOs, the Company shall allocate a pro-rata share to daily and non-daily metered customers as applicable.
- (2) The Pipeline Refund shall be calculated by dividing applicable pipeline refunds by annual forecasted firm sales.
- (3) In lieu of immediately applying any pipeline refund, the Company may accumulate such refunds, with applicable interest, to be accounted for during the annual reconciliation. With PSC approval, accumulated refunds may be returned at any time preceding the annual reconciliation.
- (4) Where exceptional circumstances warrant, the Company may petition the Commission for a waiver of the above refund plan.

E. Heater Charge

The costs of gas used to pre-heat city gate natural gas throughput at the Company's Gate Station shall be recovered as part of the Company's overall purchased gas costs and shall be recovered through the Gas Supply Charge for all applicable customers and Transition Surcharge for Service Classification Nos. 13, 14, and 19.

GENERAL INFORMATION**14. GAS SUPPLY CHARGE (GSC): (CONT'D)**

F. Annual Reconciliation Adjustment:

- (1) GSC recoveries shall be reconciled with actual gas supply expenses on an annual basis. The Annual Reconciliation Adjustment shall be determined by comparing gas supply expenses to GSC recoveries. The Annual Reconciliation shall reflect the applicable fixed FOA. The Annual Reconciliation Adjustment will be positive (a surcharge) when gas supply expense exceeds GSC recoveries. The Annual Reconciliation Adjustment will be negative (a refund) when GSC recoveries exceed gas supply expenses. The adjustment shall be determined as follows:
 - (a) The gas supply expense is the actual cost of gas incurred during the applicable period as described in General Information Section 14.C. through 14.E. of this schedule;
 - (i) Less the previous year's overcollection including interest, to the extent not refunded;
 - (ii) Plus the previous year's undercollection including interest, to the extent not recovered.
 - (b) The annual reconciliation shall exclude the shareholder portion of Gas Cost Savings described in Section 14.C.
 - (c) The annual reconciliation shall exclude the customer portion of GCIM and IRM savings described in Section 14.C. that are used to fund the affordable energy program.
 - (d) The Annual Reconciliation Adjustment is then calculated by dividing the gas supply expense, less GSC recoveries, by the forecasted firm sales quantities for the surcharge/refund period.
- (2) The Annual Reconciliation Adjustment shall include simple interest, as prescribed from time to time by the PSC, on any unamortized surcharge or refund balance.
- (3) The annual reconciliation period shall be the 12 months ended August 31 of each year. The annual reconciliation shall be filed with the PSC on or before October 15 of each year. The GSC annual surcharge/refund shall be effective with the GSC statement effective on January 1.

GENERAL INFORMATION

14. GAS SUPPLY CHARGE (GSC): (CONT'D)

G. Interim Reconciliation Adjustment:

- (1) An Interim Reconciliation Adjustment may be applied during the 12-month period ending August 31 to provide for interim refunds or surcharges. Interim refunds or surcharges shall be permitted for the purpose of preventing a large over-collection or under-collection balance from accruing at August 31. Any Interim Reconciliation Adjustment shall be determined by the Company and filed with the PSC.

H. Monthly GSC Statement:

- (1) The GSC statement will be filed not less than three days prior to the date on which it is proposed to be effective. Such statement shall be available to the public at Company offices at which applications for service may be made.
- (2) A new GSC statement, not subject to G.(1), may be filed on one day's notice to become effective not more than five days after the effective date of the initial statement if the replacement of cost estimates in the initial statement with actual costs results in a change in the average cost of gas of more than 5%.
- (3) Each GSC statement shall contain:
 - (a) An identification of the applicable schedule and service classifications;
 - (b) The effective period of the GSC. The GSC shall be effective on the date provided on the statement and shall remain in effect until changed by the filing of a subsequent statement;
 - (c) The date at which, and the period for which, the GSC was determined;
 - (d) The cost on a per Therm basis, before adjustments;

GENERAL INFORMATION

14. GAS SUPPLY CHARGE (GSC): (CONT'D)

H. Monthly GSC Statement: (Cont'd)

(3) Each GSC statement shall contain: (Cont'd)

(e) A summary of adjustments, including the LFA, FOA, Pipeline Refund, Research and Development Adjustment, Annual Reconciliation Adjustment, Interim Reconciliation Adjustment and other adjustments as approved by the PSC;

(f) The net amount, or GSC without the MFC, on a per Therm basis; and

(g) The MFC.

(4) The Company shall file supporting data and workpapers underlying the GSC statement, consistent with 16 NYCRR, Chapter VII Provisions Affecting Public Service, Subchapter C, Rates and Charges, Part 720, Construction and Filing of Tariff Schedules, or superseding issues thereof.

I. Alternative Gas Cost:

(1) The Company may seek to offer customers alternative pricing mechanisms to that provided above.

(2) Any such alternative pricing mechanism shall be filed with, and approved by, the PSC prior to implementation.

15. INCREMENTAL GAS SUPPLY CHARGE (IGSC):

A. Applicability of the IGSC:

In lieu of the GSC, the IGSC shall be applicable to daily metered transportation customers requesting to return to sales service under P.S.C. No. 87 Gas, Service Classification Nos. 2, 9, or 10 when the Company has or can obtain capacity and gas supply to provide such service without jeopardizing the reliability of service to the Company's existing customers receiving firm gas sales service. The IGSC shall not be applicable to transportation customers that pay to reserve their "Sales Customer" status. The IGSC shall also be applicable to customers taking service under P.S.C. No. 87 Gas, Service Classification No. 3 and P.S.C. No. 88 Gas, Service Classification No. 2 requesting to return to firm sales service.

If the Company is unable to obtain capacity to serve the IGSC customers, then such customers shall be placed on a curtailment list after dual fuel customers.

Transportation customers returning to gas sales service where the only remaining load is heating load to prevent freezing of an empty building shall be subject to the GSC in lieu of the IGSC.

PSC NO. 90 Gas
NEW YORK STATE ELECTRIC & GAS CORPORATION
Initial Effective Date: 07/01/16
Issued in compliance with Order in Case 15-G-0284, dated June 15, 2016

Leaf No. 92
Revision: 5
Superseding Revision: 3

GENERAL INFORMATION

15. INCREMENTAL GAS SUPPLY CHARGE (IGSC): (CONT'D)

D. Monthly IGSC Statement (Cont'd)

- (e) A summary of adjustments, including the LFA, FOA, Pipeline Refund, Annual Reconciliation Adjustment, Interim Reconciliation Adjustment and other adjustments as approved by the PSC;
- (f) The net amount of the IGSC without the MFC, on a per Therm basis; and
- (g) The MFC.

PSC NO: 90 GAS
NEW YORK STATE ELECTRIC & GAS CORPORATION
INITIAL EFFECTIVE DATE: 07/01/16
Issued in compliance with Order in Case 15-G-0284, dated June 15, 2016

LEAF: 97.1
REVISION: 1
SUPERSEDING REVISION: 0

GENERAL INFORMATION

16. TRANSITION SURCHARGE: (CONT'D)

A. Capacity Component: (Con'td)

- (1) The capacity costs to be recovered are calculated as follows: (Cont'd)
 - (d) The \$cap is then reduced by one hundred percent (100%) of the savings derived from capacity release attributable to customers migrating from firm sales service to transportation service on or after November 2, 1995.

GENERAL INFORMATION

16. TRANSITION SURCHARGE (TS):

A. Capacity Component: (Cont'd)

- (2) The Capacity Component of the TS shall not be applicable to customers in Service Classification Nos. 1, and 5 of P.S.C. No. 88 Gas, or superseding issues thereof, initiating service on or before November 2, 1995. However, a customer that: (1) elects Standby Sales Service under Service Classification No. 6 of P.S.C. No. 87 Gas or superseding issues thereof; or (2) reserves their "Sales Customer Status" shall be charged the applicable TS regardless of service date. Also, a customer electing less than full Standby Sales Service shall be charged a prorated TS based on the ratio of Standby Sales Service to MDTQ.

- B. Heater Charge: The recovery of Heater Charges pursuant to Appendix F of the Company's February 19, 2016 Joint Proposal, as approved by the PSC in its June 15, 2016 Order issued in Cases 15-E-0283, 15-G-0284, 15-E-0285, and 15-G-0286.

GENERAL INFORMATION

16. TRANSITION SURCHARGE (TS): (Cont'd.)

C. Reliability Surcharge Component: The recovery of the Reliability Surcharge pursuant to Section IX.3.c. (i) of the Company's August 8, 2003 Phase 2A Joint Proposal, as approved by the PSC in its September 23, 2003 order issued in Case 01-G-1668. The Reliability Surcharge recovers the costs associated with upstream reliability capacity retained for each GSA. The capacity requirements shall be adjusted annually for design day and typical peak day requirements, including growth on the system.

- (1) This component of the TS shall only be applicable to non-daily metered service pursuant to:
 - (a) Service Classification Nos. 1, 2, 8 and 9 of P.S.C. No. 87 Gas, or superseding issues thereof.
 - (b) Service Classification Nos. 13 and 14 of P.S.C. No. 88 Gas, or superseding issues thereof.
- (2) The costs to be recovered through the reliability surcharge component shall be reduced by a proportionate share of revenues associated with the applicable share of non-migration capacity release, net off-system sales revenue and Pipeline Refunds related to services used in the derivation of the surcharge.
- (3) On or before September 30 of each year, beginning with 2004, the Company shall provide a report to the Director of the Office of Gas and Water that includes the calculation for the projected year's capacity requirements, a statement of the changes from the previous year, an explanation of the reason(s) or basis for the changes, and all associated workpapers. Copies of this report shall be contemporaneously provided to marketers operating in the Company's gas service territory and any other interested party that specifically requests it.
- (4) The calculation of storage inventory working capital carrying costs included in the gas reliability surcharge shall be consistent with the storage inventory carrying cost calculation described in General Information Section 14.C.6.ii.e.

GENERAL INFORMATION

17. WEATHER NORMALIZATION ADJUSTMENT (WNA):

A. Applicability:

- (1) The WNA shall be applicable to all space heating customers, except as otherwise set forth herein, taking service pursuant to Service Classification Nos. 1, 2, 8, 9, and 11 of P.S.C. No. 87 - Gas, or superseding issues thereof, and Service Classification Nos. 1, 5, 13, 14, and 19 of P.S.C. No. 88 - Gas, or superseding issues thereof.
- (2) A firm industrial revenue class customer, taking service pursuant to a tariff that imposes the WNA, shall be deemed a space heating customer if more than 50% of such industrial customer's annual usage is experienced in the period November 1 through March 31.
- (3) The WNA shall be applied to the total gas usage during the WNA season of October 1 through May 31 of each year.

If only a portion of a customer's total gas usage for a particular billing period is applicable to the WNA season, then the WNA shall be adjusted to reflect the portion applicable to the WNA season.

GENERAL INFORMATION

17. WEATHER NORMALIZATION ADJUSTMENT (WNA): (CONT'D)

B. Calculation of the WNA:

- (1) The WNA shall be calculated using the following formulas:

$$\text{WAF} = \frac{\text{DDF} * [\text{NHDD} - \text{AHDD}]}{(\text{BP} * \text{BLT}) + (\text{DDF} * \text{AHDD})}$$

$$\text{Therms}_{\text{Normal}} = \text{Therms}_{\text{Actual}} + (\text{Therms}_{\text{Actual}} * \text{WAF})$$

$$\text{WNA}_n = (R_n * \text{Therms}_{\text{Normal}(n)}) - (R_n * \text{Therms}_{\text{Actual}(n)})$$

$$\text{WNA}_{\text{Total}} = \text{Sum}(\text{WNA}_n)$$

- (2) Where,

- (a) "WAF" is the Weather Adjustment Factor.
- (b) "HDD" or Heating Degree Days are the difference between 65degrees Fahrenheit and the average of the minimum and maximum temperature as reported by the applicable National Weather Service station for a particular day. The HDD are zero when the average temperature is greater than 65 degrees Fahrenheit. HDD is also used to refer to the cumulative HDD for any defined period greater than one day.
- (c) "NHDD" or Normal Heating Degree Days, for any given calendar day, are based upon a 10-year average of the heating degree days for that calendar day. The applicable 10-year period ends on December 31st of the year before the current WNA season. NHDD is also used to refer to the cumulative NHDD for any defined period greater than one day.

GENERAL INFORMATION

17. WEATHER NORMALIZATION ADJUSTMENT (WNA): (CONT'D)

B. Calculation of the WNA: (Cont'd)

(2) Where, (Cont'd)

- (d) "AHDD" or Actual Heating Degree Days are the actual difference between 65 degrees Fahrenheit and the average of the minimum and maximum temperature as reported by the applicable National Weather Service station for a particular day. AHDD is zero when the average temperature is equal to or greater than 65 degrees Fahrenheit. AHDD is also used to refer to the cumulative AHDD for any defined period greater than one day.
- (e) "BP" or Billing Period is the actual number of billing days that occur during the WNA season.
- (f) "BLT" or Base Load Therms is the estimated number of non-temperature sensitive Therms per day. The estimate is based on the average daily use in the July and August billing months. If the customer has insufficient billing history to calculate the BLT, the average BLT for the applicable service class shall be used. The service class average BLTs shall be revised annually.
- (g) "DDF" or Degree Day Factor is the estimated number of temperature sensitive Therms required for each heating degree day. If the customer has insufficient billing history to calculate the DDF, the average DDF for the applicable service class shall be used. The service class average DDFs shall be revised annually.
- (h) "Therms_{Normal}" is the estimated number of Therms the customer would have used if the weather were normal during the billing cycle.
- (i) "Therms_{Actual}" is the number of Therms the customer actually used during the billing cycle.
- (j) "Therms_{Normal(n)}" is the number of Therms_{Normal} that fall in the applicable rate block.
- (k) "Therms_{Actual(n)}" is the number of Therms_{Actual} that fall in the applicable rate block.

GENERAL INFORMATION

17. WEATHER NORMALIZATION ADJUSTMENT (WNA): (CONT'D)

B. Calculation of the WNA: (Cont'd)

(2) Where, (Cont'd)

- (l) "WNA_n" is the weather normalization adjustment for the applicable rate block and is expressed in dollars.
- (m) "R_n" is the applicable block rate and is expressed in dollars per Therm.
- (n) "WNA_{total}" is the customer's weather normalization adjustment and is expressed in dollars.

18. RESEARCH AND DEVELOPMENT (R&D) ADJUSTMENT:

- A. Consistent with the PSC's order in Case 99-G-1369, the Company shall implement a Research and Development (R&D) Adjustment to provide funding for R&D programs.
- B. The R&D Adjustment shall be applicable to:
 - (1) Service Classification Nos. 1, 5, 13, 14, 16, and 19 of P.S.C. No. 88 - Gas, or superseding issues thereof, and
 - (2) Service Classification Nos. 1, 2, 5, 9, 10, and 11 of .P.S.C. No. 87 - Gas, or superseding issues thereof.
- C. R&D funding obtained through application of the R&D Adjustment may equal, but not exceed, \$650,000 per calendar year.
- D. A statement reflecting the R&D Adjustment shall be filed with the PSC no later than three days before the effective date. Such statements shall be readily accessible to the public.

GENERAL INFORMATION

22. REVENUE DECOUPLING MECHANISM (RDM) ADJUSTMENT

1. Applicable to:

All customers taking firm service under P.S.C. No. 87 Service Classification Nos. 1 and 2, and P.S.C. No. 88 Service Classification Nos. 1, 5, 13, and 14 shall be subject to a RDM Adjustment as described below.

2. Definitions

- a. Revenue per Customer (RPC) Targets – monthly weather-normalized targets shall be developed based on delivery revenue requirement established in Case No 15-G-0284. Residential customers taking service under P.S.C. No. 87 Service Classification No. 1 and P.S.C. No. 88 Service Classification No.13 shall be combined into monthly RPC Targets. Non-residential customers taking service under P.S.C. No. 87 Service Classification No. 2 and P.S.C. No. 88 Service Classification Nos. 1, 5, and 14 shall be combined into monthly RPC Targets. RPC 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, and approved by the Commission on June 15, 2016. The RPC Target for Rate Year 3 shall repeat annually until changed by the Commission. The Company shall verify service class customer counts at the end of each Rate Year by dividing actual rate year minimum charge revenues for each service classification by the applicable minimum charge for the period.
 - (i) The Company shall have two RDM classes for reconciliation purposes: one residential class consisting of residential P.S.C. No. 87 Service Classification No. 1 and P.S.C. No. 88 Service Classification No. 13 customers; and one consolidated non-residential class consisting of non-residential P.S.C. No. 87 Service Classification No. 2, and P.S.C. No. 88 Service Classification Nos. 1, 5, and 14 customers.
- b. “Delivery Revenues” - For the purpose of RDM, Delivery Revenues shall be measured as the sum of the billed base delivery revenues from all customers for each service classification (customer charges and per therm delivery rates). For purposes of this calculation, revenues related to the System Benefits Charge (SBC), Rate Adjustment Mechanism (RAM), Merchant Function Charge (MFC), Transition Charge, Temporary State Assessment Surcharge (TSAS), and gross receipts taxes are excluded. All sales to economic incentive rate incentive customers and low income customers shall be priced out at standard service classification rates in developing the RPC Targets.
- 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.

3. Calculation

- a. Each month, actual billed delivery service revenues per customer shall be reconciled to allow weather normalized delivery service revenues per customer. Actual delivery service revenues are defined as the revenue received from base delivery rates (customer charges and per-therm delivery rates). Actual delivery service revenues shall reflect the weather normalization adjustment clause.
- b. At the end of the Rate Year, actual billed revenues per customer by service class for the entire Rate Year shall be compared to the cumulative monthly targets for the entire Rate Year. Any variance from the cumulative monthly targets for the Rate Year shall be either surcharged or credited to customers over the twelve monthly periods of the immediately succeeding Rate Year. Surcharges or credits shall be developed on a service class basis. Any surcharge or credit amount shall reflect interest at the then effective other customer deposit rate. Any such surcharge or credit under the annual reconciliation or interim reconciliation process (refer to 3.d. below) shall be recovered or returned through service class specific rates. Surcharges or credits arrived at in the annual reconciliation shall reflect amounts already surcharged or refunded through the interim reconciliation process.

GENERAL INFORMATION

22. REVENUE DECOUPLING MECHANISM (RDM) ADJUSTMENT (Cont'd)

3. Calculation (Cont'd)

- c. The first two months of the Rate Year shall be adjusted upward to reverse the effect of pro-ration between old and new rates in actual billed delivery service revenue. The actual billing determinants for each RDM applicable service class shall be multiplied by the approved rates for the Rate Year.
- d. If at any time during the Rate Year the cumulative difference between the actual billed revenues per customer and the cumulative target revenues per customer is 1.50% or more, the Company may file an interim RDM Adjustment for each service classification. For the Rate Years listed below, the amounts by Rate Year (positive or negative) will trigger an interim RDM Adjustment for each service classification:
 - (i) Rate Year 1: \$2.57 million
 - (ii) Rate Year 2: \$2.78 million
 - (iii) Rate Year 3: \$3.00 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. Filing of Statements

- a. 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.
- b. Should the Company file an interim RDM Adjustment as described above, such filing shall occur on not less than 10-days' notice.
- c. Such statements can be found at the end of each Schedule (P.S.C. No. 87 – Gas and P.S.C. No. 88 - Gas).

GENERAL INFORMATION

23. New York State Energy Research and Development Authority (“NYSERDA”) Loan Installment Program

Pursuant to the Power New York Act of 2011 (L. 2011, c.388), the New York State Energy Research and Development Authority or its designated agent (“NYSERDA”) shall administer a loan program for qualifying residential and non-residential customers for the installation of energy efficiency services (as that term is defined in subsection 189(12) of the Public Authorities Law) on a customer’s property. As set forth in this law, the Company shall bill and collect NYSERDA Loan Installment amounts primarily through the customer’s utility bill when notified by NYSERDA that these NYSERDA Loan Installments apply to the customer’s utility account. Unless otherwise precluded by law, participation in the NYSERDA Loan Installment program shall not affect a customer’s eligibility for any rebate or incentive offered by the Company. In order to comply with the requirements set forth in the Power NY Act of 2011, the Company shall provide NYSERDA, or its agents, certain customer information and take other actions for purposes of the NYSERDA Loan Installment Program. The Company shall implement the NYSERDA Loan Installment Program no later than May 30, 2012.

1. Eligibility

Pursuant to PSL Section 66-m 1.(b), each electric and gas corporation shall initially limit the number of customers participating in the NYSERDA Loan Installment Program at any given time to no more than 0.5% of its total unique customers taking service as of December 31, 2011, on a first come, first served basis.

A customer who receives a NYSERDA loan, or a subsequent customer that becomes responsible for the electric and/or natural gas bill at that location except as provided below, shall repay the loan installments on their utility bills. Under the NYSERDA Loan Installment Program, NYSERDA shall notify the Company of the monthly loan installment amounts and the number of months of the NYSERDA loan term that are to be charged on the customer’s bills.

2. Billing and Collections

The responsibility of the Company is limited to providing billing and collection services for NYSERDA. Such billing and collection services shall be available regardless of whether the electricity or natural gas delivered by the Company is the customer’s primary energy source.

Only one NYSERDA Loan Installment obligation can exist on a customer’s utility account. Should the customer enter into an additional NYSERDA Loan Installment agreement, NYSERDA shall replace the current NYSERDA Loan Installment on the account with a new consolidated NYSERDA Loan Installment and notify the Company of the new NYSERDA Loan Installment amount and corresponding NYSERDA Loan term in months.

Beginning no later than the second bill after the Company receives a valid customer account number from NYSERDA, each bill issued to the customer shall include the monthly loan installment amount until the loan is satisfied or the account is closed. A customer receiving bills on a bi-monthly basis shall be billed for two loan installments on each bill.

The customer shall be required to pay NYSERDA loan installment amounts when bills are due. Unpaid loan installment amounts shall be subject to the provisions of this Rate Schedule regarding:

- (a) deferred payment agreements (pursuant to General Information Rule 8.G); and
- (b) termination/disconnection and reconnection of service (pursuant to General Information Rule 8.E and General Information Rule 8.H).

If in order to avoid termination of service or to restore service that was terminated to an entire multiple dwelling, pursuant to 16 NYCRR 11.7, or to a two-family dwelling, pursuant to 16 NYCRR 11.8, such occupants shall not be billed for any arrears of on-bill recovery charges or any prospective on-bill recovery charges, which shall remain the responsibility of the incurring customer.

NYSERDA Loan installment amounts shall not be subject to the Increase in Rates and Charges Applicable Where Service is Supplied pursuant to General Information Rule 3 of P.S.C No. 88.

A customer remitting less than the total amount due on a utility bill that includes a loan installment amount shall have such partial payment first applied as payment for billed electric and/or natural gas charges. If there are monies remaining after application to the Company’s electric and/or natural gas charges, any remaining amount shall be applied to outstanding NYSERDA loan installment amounts.

A customer remitting more than the total amount due on a utility bill that includes a NYSERDA loan installment amount shall have the overpayment applied first to subsequently billed electric and/or natural gas charges and then to NYSERDA Loan Installment amounts as they are billed. The utility shall not apply customer overpayments as a prepayment of NYSERDA loan installment amounts or as full repayment of the NYSERDA loan. Customers wishing to make loan prepayments or satisfy the balance of the loan amount outstanding must arrange directly with NYSERDA for such payments. The Company shall not provide interest on overpayments of NYSERDA loan installment amounts.

GENERAL INFORMATION

23. New York State Energy Research and Development Authority (“NYSERDA”) Loan Installment Program (Cont’d)

3. Term

NYSERDA shall advise the Company of the number of the NYSERDA loan installment amounts to be paid. The NYSERDA loan obligation shall survive changes in ownership, tenancy and meter account responsibility at the premises where the energy efficiency measures were installed unless fully satisfied. In the event the NYSERDA Loan Installment obligation is not satisfied when a customer’s account is closed and NYSERDA notifies the Company to bill loan installment amounts to a subsequent customer, such subsequent customer shall be subject to all terms and conditions of this Section.

When an account with a NYSERDA loan is closed, loan installment amounts that were billed but unpaid shall be transferred to the Customer’s new account established with the Company, or another existing account, provided, however, that if the customer does not establish a new account with the Company 45 days after the account is closed, the Company shall cease its collection activity for the NYSERDA loan installment arrears and advise NYSERDA so it can pursue collection of the outstanding balance.

4. Account Information

As authorized by the Power New York Act of 2011, the Company shall provide NYSERDA or its agents with certain customer information (*i.e.*, account closure information and subsequent customer information, including customer name, old and new account number(s), loan number, mailing address and service address.) All customer information released to NYSERDA by the Company shall be considered confidential. Customers making application to NYSERDA under the NYSERDA Loan Installment Program shall be required to provide consent for NYSERDA’s use of the customer’s utility account information.

For a premise with an outstanding NYSERDA loan obligation, each subsequent customer is deemed to have consented to the Company’s disclosure to NYSERDA of such customer’s information.

5. Customer Questions and Billing Disputes

Questions related to the NYSERDA Program and complaints relating to the Company’s billing of NYSERDA loan installment amounts shall be directed to NYSERDA.

At least annually, the Company shall provide customers participating in the NYSERDA Loan Installment Program the following information:

- a. The amount and duration of remaining monthly payments under the NYSERDA Loan Installment Program.
- b. NYSERDA’s contact information and dispute resolution procedures for resolving customer complaints regarding the NYSERDA Loan Installment Program.

GENERAL INFORMATION

24. GLOSSARY:

The following words and terms when used in this Schedule have the following meanings:

Access Controller: A party known to the Company to be in control of access to the metering equipment of a customer, and to have an active account of its own with the Company.

Actual Reading: A meter reading obtained by a Company employee from either the meter or a remote registration device attached thereto.

Adjusted Gas Revenue: The revenue realized from the applicable service classification rates and charges, minus revenue taxes, the minimum charge and the cost of gas.

Annual Period: The 12 Months beginning with the Month in which the Customer first receives service under the applicable service classification. Each succeeding 12-Month period shall constitute another Annual Period.

Applicant:

Residential Applicant: A residential applicant is a person who request service at a dwelling for their own residential use or the residential use by another person. For purposes of the Home Energy Fair Practices Act (HEFPA), a residential applicant is any person who request service at a premises to be used as their residence or the residence of another person on whose behalf the person is requesting service, as defined in 16 NYCRR 11.2(a)(3).

Non-residential Applicant: A non-residential applicant is a person, corporation or other entity requesting service from the Company who is not a residential applicant as defined in 16 NYCRR 11.

Residing Applicant: A residing applicant is a person of governmental agency requesting gas service be provided where there is no service currently available, where that service shall be used at a premises that shall be occupied as the applicant's primary residence or, in the case of a governmental agency, occupied as a residence by an individual client.

Non-residing Applicant: A non-residing applicant is a developer, builder, person, partnership, association, corporation or governmental agency requesting gas service be provided where there is no service currently available, where that service shall be used in a residence occupied by others.

Appurtenant facilities: The necessary and ancillary accessories to an electric line that enables the transportation and distribution of electric energy.

Arrears: Charges for service for which payment has not been made more than 20 calendar days after payment was due.

Backbill: That portion of any bill, other than a budget bill, which represents charges not previously billed for service that was actually delivered to the Customer during a period before the current billing cycle. A bill based on an actual reading rendered after one or more bills based on estimated or customer readings (commonly called a catch-up bill) which exceeds by 50% or more the bill that would have been rendered under the Company's standard estimation program is presumed to be a backbill.

GENERAL INFORMATION

24. GLOSSARY: (CONT'D)

British Thermal Unit (“BTU”): The amount of heat required to raise the temperature of one pound of water one degree Fahrenheit at 60 degrees Fahrenheit.

Budget Payment Plan: A billing plan designed to reduce fluctuations in a customer’s bill payments due to varying, but predictable patterns or consumption.

Business Days: Any Monday through Friday when the Company's business offices are open; excluding holidays recognized by the Company.

Capacity: Space on a pipeline allowing the Company or shippers to move gas from a receipt point to citygate for distribution on the Company’s system.

Citygate: The interconnection point between an upstream Pipeline and the local facilities through which the Company receives deliveries from that pipeline.

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

Company: New York State Electric & Gas Corporation, or any successor organization thereto.

Control Area: The Gas Control Area is the Company’s gas service territory.

Core Customer: A Customer that has no viable alternative fuel and relies on the Company for gas delivery and/or commodity service.

Corporation: see Company.

Cost of Gas: Computed by multiplying the average cost of gas per unit, as used in the Gas Supply Charge (GSC) calculation, by the units of gas used.

Costs and Expenses: An estimate based on (a) the average hourly labor rates including a percentage for employee welfare costs, supervision, engineering and administrative and general expenses, plus (b) the hourly rates for transportation and special equipment, plus (c) the Company’s material costs including stores expense.

Critical Care Customer(s): A Customer(s) that heats all or any portion of any building, including apartment houses, prisons, dormitories, nursing homes, hospitals, hotels, and other buildings where persons may dwell on a permanent basis, solely with natural gas. Also known as “Human Needs Customer(s).”

Cubic Foot (Cf): The amount of gas required to fill a volume of one cubic foot under stated conditions of temperature, pressure and water vapor, usually referenced to 14.7 PSI and 60 degrees Fahrenheit.

GENERAL INFORMATION

24. GLOSSARY: (CONT'D)

Cubic Foot (CF):

A. Low Pressure Sales:

For sales from low pressure distribution pipelines, or where a displacement type meter not equipped with pressure gauges, or for which pressures are not recorded or taken, or not having incorporated into it devices to correct to a standard pressure or temperature base, is used, a cubic foot of gas shall be that amount of gas which occupies a volume of one cubic foot at the time metered and under the conditions existing at the customer's meter.

B. Other Than Low Pressure Sales Under Section 17.A.:

For sales at high or intermediate pressures or where an orifice type meter is used, or a displacement type meter, with pressure volume or time devices, or for which pressures are recorded or taken or having incorporated into it, devices to correct to a standard pressure or temperature base, is used, a cubic foot of gas shall be that amount of gas which occupies one cubic foot at an absolute pressure of 14.73 lbs. per square inch and a temperature of 60 degrees Fahrenheit. To determine the volume of gas delivered, required factors such as pressure, flowing temperature, specific gravity and deviations from the laws for ideal gases shall be applied. The average absolute atmosphere pressure (Barometric Pressure) shall be assumed to be 14.4 lbs. per square inch, irrespective of actual elevation or location of the delivery point above sea level or variations in actual barometric pressure from time to time. The temperature of the gas flowing through the meter or meters shall be the arithmetic average of the temperature record; or read from established tables of monthly averages for the location involved. The gas shall be measured in accordance with methods in use in the industry generally and recommended by the Gas Measurement Committee of the Natural Gas Department of the American Gas Association, applied in a practical manner.

Customer:

Residential Customer: A person who is receiving service at a dwelling for his or her own residential use or the residential use by another person. For purposes of the Home Energy Fair Practices Act (HEFPA), a residential customer includes any person who is supplied service at a premises used in whole or in part as his or her residence, as defined in 16 NYCRR 11.2(a)(2).

Non-residential Customer: A person, corporation or other entity receiving service who is not a residential customer as defined in 16 NYCRR 11.

Customer's Premises: Discrete contiguous real property under the Customer's control through ownership or lease.

Customer Account Number: The Company specific unique identifier associated with a Customer of the Company.

Deferred Payment Agreement ("DPA"): A written agreement for the payment of outstanding charges over a specified period of time. It must be signed in duplicate by a Company representative and the Customer, and each must receive a copy, before it becomes enforceable by either party.

GENERAL INFORMATION

24. GLOSSARY: (CONT'd)

Degree Days or Heating Degree Days (“HDD”): A measure of deviation in temperature calculated by subtracting the average daily temperature from 65 degrees Fahrenheit.

Dekatherm (“Dt”): 10 therms which is the quantity of heat energy equal to 1,000,000 BTUs.

Delinquent Non-Residential Customer: A customer who has made a late payment on two or more occasions within the previous 12-month period.

Deliveries: Gas delivered to a Distribution Point of Receipt.

Department of Public Service (“DPS”): New York State Department of Public Service.

Distribution Point(s) of Delivery: Point(s) on the Distribution System where the Company delivers gas.

Distribution Point(s) of Receipt/Receipt Point(s): Point(s) at which the Company receives gas on the Transmission and/or distribution System from other sources.

Distribution System: The facilities owned, controlled or operated by the Company that are used to provide gas Distribution Service under this Tariff.

FERC: Federal Energy Regulatory Commission, or any successor or agency thereto.

Firm Service: The highest quality sales or transmission service offered to Customers under a rate schedule that anticipates no service interruptions.

Force Majeure: A superior force, “act of God” or unexpected and disruptive event, which may serve to relieve a party from a contract or obligation.

Good Utility Practice: Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Heating Value: The number of British Thermal Units produced by the combustion, at constant pressure, of the amount of anhydrous gas which would occupy a volume of one cubic foot at a temperature of 60 degrees Fahrenheit and under an absolute pressure of 14.73 pounds per square inch with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air, and when the water formed by combustion is condensed to the liquid state.

High Pressure Main: A main shall be considered high pressure when a governor is required to be installed between a service connection to the main and the customer’s meter.

GENERAL INFORMATION

24. GLOSSARY: (CONT'd)

Human Needs Customer: See "Critical Care Customer(s)."

Late Payment: Any payment made more than 20 calendar days after the date payment was due. Payment is due as specified by the Company on its bill, provided such date does not occur before personal service of the bill or three calendar days after the mailing of the bill.

Load: The amount of gas consumed. An ESCO's Load is the total volume of gas consumed by the ESCO itself and all of its Customers, if any.

Load Factor: The ratio of the average consumption to maximum consumption for a given time period.

Losses: The loss of gas, resulting from its transportation over the Distribution System, between the Distribution Point(s) of Receipt and the Distribution Point(s) of Delivery.

Lost and Unaccounted for Gas: The difference between the quantity of gas available from all sources (purchased, transported, and locally produced) and the quantity accounted for by sales, deliveries of Company use.

Main: A pipeline located on a public or private right-of-way which is generally available or used to transport gas to more than one service line.

Marketer: An Energy Services Company ("ESCO").

Mcf: 1,000 cubic feet.

Month: A period beginning at 9:00 AM Central Clock Time on the first Day of the calendar Month and ending at 9:00 AM Central Clock Time on the first Day of the following calendar Month.

Multiple Occupancy Building: A structure (including row houses) enclosed within exterior walls or fire walls, which is built, erected and framed of component structural parts and is designed to contain four or more individual dwelling units for permanent residential occupancy.

New Customer: A customer who was not the last previous customer at the premises to be served, regardless of whether such customer previously was or is still a customer of the Company at a different location.

Non-Emergency Services: Services provided by the Company that are not in response to emergency events.

Parties: The Company and the ESCO receiving service under this Tariff.

Payment: Is considered to be made on the date when it is received by the Company or one of its authorized collection agents.

Point of Supply: The point (or connection) where the Company's gas mains and/or Company-owned Service Lines end and the Customer-owned Service Lines end and the Customer-owned facilities begin.

GENERAL INFORMATION

24. GLOSSARY:

Pooling Area: An area defined as a Company operational area served, generally, but a single interstate pipeline. Pooling areas shall be defined, designated, and/or modified on a prospective basis, in the Company's reasonable discretion and shall be posted on the Company's Electronic Bulletin Board ("EBB").

Public Right-of-Way: The territorial limits of any street, avenue, road or way (other than a limited access thoroughfare) that is for any highway purpose under the jurisdiction of the State of New York or the legislative body of any county, city, town or village and is open to the public use and that may be used for the placement of utility facilities.

Public Service Commission ("PSC"): New York State Public Service Commission, or any successor organization thereto. A state regulatory body with authority over electric, gas, communications, water, and cable utilities in New York State. It is charged by law with ensuring that safe and reliable service is made available at reasonable rates while, at the same time, allowing the utility the opportunity to earn a return on its investment that is sufficient to maintain its credit and enable it to continue raising the capital necessary to provide satisfactory service in the future.

Qualification: The process by which an ESCO or a DC receives approval to serve Customers under the terms of this Tariff.

Reconciliation: Reconciling the total of all retail Loads in the Control Area with metered total Control Area Loads on an hourly basis.

Right-of-Way: A right to pass over, occupy or use another's land for placing and maintaining utility facilities.

Seasonal Customer: A customer who applies for and receives gas service periodically each year, intermittently during the year, or at other irregular intervals.

Seasons:

Summer: May 1 – October 31, inclusive

Winter: November 1 – April 30, inclusive

Service Line: The piping, including associated metering and pressure reducing appurtenances, that transports gas below grade from a main to the first accessible fitting inside the wall of a customer's building when a meter is located within the building; if a meter is located outside the building, the service line shall be deemed to terminate at the outside of the building foundation wall.

Short-Term or Temporary Non-Residential Customer: A customer who requested service for a period of time up to two years.

Surcharge: A charge payable by the Customer to the Company in addition to the charge for gas under applicable service classification.

Tampered Equipment: Any service related equipment that has been subjected either to unauthorized interference so as to reduce the accuracy or eliminate the measurement of a utility's service, or to unauthorized connection occurring after the Company has physically disconnected service.

GENERAL INFORMATION

24. GLOSSARY:

Therm: A unit of heating value equivalent to 100,000 Btu. The number of therms in a given volume of gas is determined by multiplying the given number of cubic feet of gas by the average heating value of the gas in Btu per cubic foot and dividing by 100,000.

Therm Factor: A factor obtained by the division of the total quantity of Dekatherms (Dt) purchased by the Company over a period of time by the total quantity of Mcfs purchased over that same period of time, to four decimal places.

Therm Factor Area: A geographic area where the energy content of the gas delivered is considered to be the same.

Utility: New York State Electric & Gas Corporation (the Corporation)(the Company)(NYSEG).

Utility Deficiency - means any action or inaction by the Company or one of its authorized agents that does not substantially conform to the rules and regulations of the PSC, the Company's tariff, or its written business procedures.

Water Vapor Content - Shall describe the condition of a cubic foot as either: Wet (W) - saturated with water vapor; or Dry (D) - anhydrous.

16 NYCRR - Title 16 of the New York Codes, Rules, and Regulations. Numerical suffix denotes a section or part of a rule.

Abbreviations:

Btu	- British thermal units
Cu ft	- cubic foot and cubic feet
Ccf	- 100 cubic feet
Mcf	- 1,000 cubic feet
Dt	- 10 therms
DPS	- Department of Public Service
FERC	- Federal Energy Regulatory Commission
GAAP/FASB	- Generally Accepted Accounting Principles/Financial Accounting Standards Board
PSC	- Public Service Commission
16 NYCRR	- Title 16 of the Codes, Rules and Regulations of the State of New York. Numerical suffix denotes section or part.