

PSC No: 87 - Gas
NEW YORK STATE ELECTRIC & GAS CORPORATION
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TABLE OF CONTENTS

GENERAL INFORMATION	LEAF NO.
1. Territory to Which Schedule Applies	4
2. Services	10
3. Increase in Prices and Charges Applicable Where Service is Supplied	10
4. Conditions of Gas Service	11
5. Transfer of Gas	11
6. Economic Development Incentive (EDI)	11.1
7. Economic Development Zone Incentive (EDZI)	11.2
8. Excelsior Jobs Program	11.3
9. Rate Adjustment Mechanism (RAM)	11.4

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

GENERAL INFORMATION

8. EXCELSIOR JOBS PROGRAM (Cont'd)

C. BILLING (cont'd)

TRANSITION CHARGE

All Excelsior Jobs Program customers receiving discounted delivery rates are exempt from paying the Transition Charge.

REVENUE DECOUPLING MECHANISM (RDM) ADJUSTMENT

All Excelsior Jobs Program customers are exempt from paying the Revenue Decoupling Mechanism (RDM) Adjustment on the qualifying load.

D. INCREASE IN RATES AND CHARGES

The rates and charges under this rider are increased by the applicable effective aggregate percentage shown in General Information Section 3 for service supplied in the municipality where the customer is taking service.

E. OTHER

A qualified customer shall pay a monthly service bill at the rates and charges under this rate for all terms in excess of a base amount of terms established for each monthly billing period.

- a. For an existing customer, the base amount shall be determined by the Company using an annual historical period. The customer may request an adjustment to the base amount if the customer has installed energy conservation measures pursuant to an energy efficiency program approved by the Commission.
- b. For a prospective customer, the base amount shall be zero.

If it is determined that the bill calculated under this provision exceeds the bill calculated under the otherwise applicable standard Service Classification rates, the customer shall pay the lower of the two bills.

If the customer is receiving Empire Zone or Economic Development Zone discounts, such customer agrees to forfeit any prospective discounts received under the Empire Zone or Economic Development Zone program at any location or locations that qualify for Excelsior Jobs Program discounts as of the date the customer begins to receive Excelsior Jobs Program discounts.

9. RATE ADJUSTMENT MECHANISM ("RAM")

A. Applicable to:

All customers taking service under Service Classification Nos. 1, 2, 3, 5, 9, 10 and 11 of this Schedule.

B. RAM Eligible Deferrals and Costs:

All RAM Eligible Deferrals and Costs shall be the difference between actual costs and the amounts provided for in base rates. RAM Eligible Deferrals and Costs shall include:

- (1) Property Taxes;
- (2) Gas Leak Prone Pipe Replacement; and
- (3) Reforming the Energy Vision ("REV") costs and fees which are not covered by other recovery mechanisms.

All RAM revenues and deferrals are subject to reconciliation.

GENERAL INFORMATION

9. RATE ADJUSTMENT MECHANISM ("RAM") (Cont'd)

C. Annual RAM Recovery / Return Limits:

The annual RAM recovery / return shall be limited to \$5.2 million for gas. The RAM shall only be implemented for the Company once the limit is reached from netting the RAM Eligible Deferrals. Any net RAM Eligible Deferral value in excess of the limit shall remain deferred and shall be carried forward to the calculation of the RAM limits in the following year. Any net regulatory asset or liability in excess of the Company's annual RAM recovery / return limit shall be carried forward to the calculation of the RAM in the following year.

D. Deferred Regulatory Asset and Liability Balances:

The Company shall measure the deferred regulatory asset and liability balances for the items specified as RAM Eligible Deferrals and Costs (listed above) as of December 31 for each year. The RAM shall be identified in the Company's respective RAM Compliance Filings submitted on March 31 of each year and shall be implemented in rates on July 1 of each year for collection over the 12 months from July 1 to June 30. The RAM Compliance Filings shall include proposed RAM rates by service classification. Annually, the Company shall submit RAM tariff statements effective on July 1.

The first RAMs shall be effective July 1, 2017 based on eligible deferred balances as of December 31, 2016.

E. RAM Annual Recovery / Return Allocation:

The gas RAM annual recovery / return amounts shall be allocated to service classifications based on delivery service revenues and recovered from customers on a per therm basis.

F. Carrying Costs:

The Company shall accrue carrying costs on RAM Eligible Deferrals and costs as follows:

- (1) During the period that the RAM is in effect for those deferral balances being specifically collected or returned, carrying costs shall be based on the Commission's authorized Other Customer Capital Rate.
- (2) RAM Eligible Deferral Balances not in the RAM tariff due to the annual dollar amount restrictions set forth above shall accrue carrying charges as follows:
 - (a) Net Deferral amounts at or under the annual RAM recovery / return limits shall accrue carrying charges at the Other Customer Capital Rate;
 - (b) Additional deferral amounts over the annual RAM recovery / return limits, up to one year's worth of value, shall accrue carrying costs at the Other Customer Capital Rate; and
 - (c) Additional deferral amounts over the annual RAM recovery / return limits in Rule 9.F.(2)(a) and (2)(b) above, shall accrue carrying costs at the Company's respective Pre-Tax Weighted Cost of Capital, applied to the after-tax balance.

G. Filings and Statements:

- (1) A RAM Compliance Filing setting forth the RAM rates by Service Classification shall be filed with the Commission by March 31 on an annual basis.
- (2) A RAM Statement setting forth the RAM rates shall be filed with the Commission on not less 30 days' notice to be effective July 1. Such statement may be found at the end of this Schedule.

PSC No: 87 - Gas
 NEW YORK STATE ELECTRIC & GAS CORPORATION
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SERVICE CLASSIFICATION NO. 1

RESIDENTIAL SERVICE

APPLICABLE TO THE USE OF SERVICE FOR:

Residential Service in individual private dwellings, including two-family dwellings where the customer is a resident, flats or apartments, and separately metered non-space/water heating equipment in common areas used by tenants of individually metered multi-family residences of 10 units or less. Also for all gas utilized exclusively in connection with religious purposes by any corporation, association or school organized and conducted in good faith for religious purposes; or any post or hall owned or leased by a not-for-profit corporation that is a veterans' organization. Applicable also to use exclusively in connection with a community residence for the mentally disabled, as defined in Subdivision 28, 28-a, or 28-b of Section 1.03 of the Mental Hygiene Law, provided that such residence is operated by a not-for-profit corporation and, if supervisory staff is on site 24 hours a day, that the residence provides living accommodations for 14 or fewer residents.

CHARACTER OF SERVICE:

Continuous - natural gas or a mixture of natural gas and synthetic natural gas with a Btu content of not less than 975 Btu per cubic foot for the Lockport Area, not less than 950 Btu per cubic foot for the Champlain Area, and not less than 1,000 Btu per cubic foot for all other areas. Normal pressure 7" but not less than 4" water column. At the option of the Company, gas shall be supplied at high pressure, where such service is available.

PRICE: (Per Month)

The Company's unbundled charges are:

(1) Gas Delivery Charges:

A. Delivery Rates:

For All Areas	Effective Date		
	07/01/16	05/01/17	05/01/18
Basic Service Charge			
First 3 Therms or less (Non-Heating)	\$12.30	\$12.30	\$12.30
First 3 Therms or less (Heating)	\$16.30	\$16.30	\$16.30
Usage Charge (per Therm)			
Next 47 Therms	0.57893	0.65170	0.72809
Over 50 Therms	0.13601	0.15310	0.17105

Bill Issuance Charge (per bill): \$0.81, as described in P.S.C. No. 88, General Information Section 32.

SERVICE CLASSIFICATION NO. 1 (CONT'D)

RESIDENTIAL SERVICE (CONT'D)

PRICE: (Per Month) (CONT'D)

(1) Gas Delivery Charges: (Cont'd)

B. Weather Normalization Adjustment (WNA):

Customers in all areas shall also be charged the applicable Weather Normalization Adjustment (WNA) pursuant to General Information Section 17 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

C. Transition Surcharge (TS):

Customers in all areas shall also be charged the applicable Transition Surcharge (TS) pursuant to General Information Section 16 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

D. System Benefits Charge (SBC):

Customers in all areas shall also be charged the System Benefits Charge (SBC) pursuant to General Information Section 20 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

E. Surcharge to Collect Temporary State Assessment:

The charges set forth herein shall be subject to a surcharge to collect the Temporary State Assessment per Therm of gas delivered as explained in Section 21 of P.S.C. No. 90 Gas, or superseding issues thereof.

F. Research and Development (R&D) Adjustment:

The charges set forth herein shall be subject to a R&D Adjustment per Therm of gas delivered as explained in Section 18 of P.S.C. No. 90 Gas or superseding issues thereof.

G. Revenue Decoupling Mechanism (RDM) Adjustment:

Customers in all areas shall also be charged the applicable RDM Adjustment as explained in General Information Section 22 of P.S.C. No. 90 Gas, or superseding issues thereof.

H. Energy Efficiency Tracker:

Customers in all areas shall also be charged the Energy Efficiency Tracker pursuant to General Information Section 20 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

(2) Gas Supply Charges:

A. Gas Supply Charge (GSC):

Customers in all areas shall also be charged the applicable Gas Supply Charge (GSC) pursuant to General Information Section 14 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

B. Merchant Function Charge (MFC):

Customers in all areas shall also be charged the applicable Merchant Function Charge (MFC) pursuant to General Information Section 14 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

C. Heater Fuel Charge:

A customer shall be subject to the Heater Fuel Charge pursuant to General Information Section 14 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

PSC No: 87 - Gas

NEW YORK STATE ELECTRIC & GAS CORPORATION

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SERVICE CLASSIFICATION NO. 1 (CONT'D)

RESIDENTIAL SERVICE (CONT'D)

MINIMUM CHARGE:

The Minimum Charge is the Basic Service Charge including the charge for the first 3 Therms or less, per meter, for all areas plus the Bill Issuance Charge, per bill. The Basic Service Charge and the Bill Issuance Charge shall appear on the Customer's bill whether or not any gas was used during the billing period.

INCREASE IN PRICES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED:

The prices and charges under this service classification, including the Minimum Charge, shall be increased by a surcharge pursuant to General Information Rule 3 of this Schedule to reflect the tax rates applicable within the municipality where the Customer takes service.

RATE ADJUSTMENT MECHANISM ("RAM"):

The RAM shall be applied per therm to all therms delivered under this Service Classification (as explained in this Schedule, General Information Rule 9). See RAM Statement.

TERMS OF PAYMENT:

All bills are rendered at the above "unit prices" and that amount is due on bills paid on or before the "past due" date indicated on the bill. A late payment charge at the rate of 1½% per month shall be billed on all amounts not paid by that date. (Further details can be found in Section 8 of P.S.C. No. 90 Gas, or superseding issues thereof.)

TERMS:

One month and thereafter until terminated by 48 hours' notice.

SPECIAL PROVISION:

A. Budget Billing:

Customers may, by signing an application, be billed monthly in accordance with the plan set forth in Section 8.Q. of P.S.C. No. 90 Gas, or superseding issues thereof.

PSC No: 87 - Gas
 NEW YORK STATE ELECTRIC & GAS CORPORATION
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SERVICE CLASSIFICATION NO. 2

GENERAL SERVICE

APPLICABLE TO THE USE OF SERVICE FOR:

General Service (Non-Residential Service).

CHARACTER OF SERVICE:

Continuous - natural gas or a mixture of natural gas and synthetic natural gas with a Btu content of not less than 975 Btu per cubic foot for the Lockport Area, not less than 950 Btu per cubic foot for the Champlain Area, and not less than 1,000 Btu per cubic foot for all other areas. Normal pressure 7" but not less than 4" water column. At the option of the Company, gas shall be supplied at high pressure, where such service is available.

PRICE: (Per Month)

The Company's unbundled charges are:

(1) Gas Delivery Charges:

A. Delivery Rates:

For All Areas	Effective Date		
	07/01/16	05/01/17	05/01/18
Basic Service Charge First 3 Therms or less	\$23.60	\$23.60	\$23.60
Usage Charge (per Therm)			
Next 497 Therms	0.36687	0.40235	0.43958
Next 14,500 Therms	0.21134	0.23179	0.25323
Over 15,000 Therms	0.13000	0.14257	0.15577

Bill Issuance Charge (per bill): \$0.81, as described in P.S.C. No. 88, General Information Section 32.

PSC No: 87 - Gas

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SERVICE CLASSIFICATION NO. 2 (CONT'D)

GENERAL SERVICE (CONT'D)

PRICE: (Per Month) (CONT'D)

(1) Gas Delivery Charges: (Cont'd)

B. Weather Normalization Adjustment (WNA):

Customers in all areas shall also be charged the applicable Weather Normalization Adjustment (WNA) pursuant to General Information Section 17 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

C. Transition Surcharge (TS):

Customers in all areas shall also be charged the applicable Transition Surcharge (TS) pursuant to General Information Section 16 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

D. Surcharge to Collect Temporary State Assessment:

Customers in all areas shall also be charged the Temporary State Assessment per Therm of gas delivered as explained in Section 21 of P.S.C. No. 90 Gas, or superseding issues thereof.

E. System Benefits Charge (SBC):

Customers in all areas shall also be charged the System Benefits Charge (SBC) pursuant to General Information Section 20 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

F. Research and Development (R&D) Adjustment:

The charges set forth herein shall be subject to a R&D Adjustment per Therm of gas delivered as explained in Section 18 of P.S.C. No. 90 Gas or superseding issues thereof.

G. Revenue Decoupling Mechanism (RDM) Adjustment:

Customers in all areas shall also be charged the applicable RDM Adjustment as explained in General Information Section 22 of P.S.C. No. 90 Gas, or superseding issues thereof.

(2) Gas Supply Charges:

A. Gas Supply Charge (GSC) or Incremental Gas Supply Charge (IGSC):

Customers in all areas shall also be charged the applicable Gas Supply Charge (GSC) or Incremental Gas Supply Charge (IGSC) pursuant to General Information Sections 14 and 15 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

B. Merchant Function Charge (MFC):

Customers in all areas shall also be charged the applicable Merchant Function Charge (MFC) pursuant to General Information Section 14 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

C. Heater Fuel Charge:

A customer shall be subject to the Heater Fuel Charge pursuant to General Information Section 14 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

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

PSC No: 87 - Gas
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SERVICE CLASSIFICATION NO. 2 (CONT'D)

GENERAL SERVICE (CONT'D)

MINIMUM CHARGE:

Through September 30, 2008, the Minimum Charge is the Basic Service Charge including the charge for the first two Therms or less, per meter, for the Binghamton Area and the first three Therms or less, per meter, for all other areas. Effective October 1, 2008, the Minimum Charge is the Basic Service Charge including the charge for the first three Therms or less, per meter, for all areas. The Basic Service Charge shall appear on the Customer's bill whether or not any gas was used during the billing period.

INCREASE IN PRICES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED:

The prices and charges under this service classification, including the Minimum Charge, shall be increased by a surcharge pursuant to General Information Rule 3 of this Schedule to reflect the tax rates applicable within the municipality where the Customer takes service.

RATE ADJUSTMENT MECHANISM ("RAM"):

The RAM shall be applied per therm to all therms delivered under this Service Classification (as explained in this Schedule, General Information Rule 9). See RAM Statement.

TERMS OF PAYMENT:

All bills are rendered at the above "unit prices" and that amount is due on bills paid on or before the "past due" date indicated on the bill. A late payment charge at the rate of 1½% per month shall be billed on all amounts not paid by that date. (Further details can be found in Section 8 of P.S.C. No. 90 Gas, or superseding issues thereof.)

TERM:

One month and thereafter until terminated by 48 hours' notice.

SPECIAL PROVISIONS:

A. Budget Billing (All Areas):

Customers may, by signing an application, be billed monthly in accordance with the plan set forth in Section 8.Q. of P.S.C. No. 90 Gas, or superseding issues thereof.

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

PSC No: 87 - Gas

New York State Electric & Gas Corporation

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SERVICE CLASSIFICATION NO. 2 (CONT'D)

GENERAL SERVICE (CONT'D)

SPECIAL PROVISIONS: (CONT'D)

- B. Reserved for Future Use

SERVICE CLASSIFICATION NO. 2 (CONT'D)

GENERAL SERVICE (CONT'D)

SPECIAL PROVISIONS: (CONT'D)

C. Economic Development "Zone" Incentive (EDZI): (Cont'd)

Customers who qualify, under the Economic Development Zone Incentive (EDZI) in Section 7 of the General Information section of this Schedule, to receive an incentive for usage qualified on or after 10/01/04 will have their service bills reduced for a term of ten (10) years following initial zone certification, beginning with the eligibility date on the zone certificate (unless the customer's initial zone certification becomes invalid), notwithstanding the expiration of the designation of an Economic Development Zone in the area where the customer is located. The reduction will be based on the following discount rates by Area for such qualified Therms in excess of the base amount established for each monthly billing period (as described in General Information Section 7 of this Schedule):

For All Areas:

Discount Rate (per Therm)	
Next 497 Therms	0.0679
Next 14,500 Therms	0.0475
Over 15,000 Therms	0.0475

PSC No: 87 - Gas
NEW YORK STATE ELECTRIC & GAS CORPORATION
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SERVICE CLASSIFICATION NO. 3 (CONT'D)

INTERRUPTIBLE SALES SERVICE (CONT'D)

NOTIFICATION OF PRICE:

The Interruptible Rate Statement shall be filed with the PSC no later than three days before the effective date.

ADJUSTMENT FOR FIXED PRICE OPTION ONLY (CHAMPLAIN AREA):

Customers taking service under this service classification shall be subject to an adjustment in their prices due to fluctuations in the cost of gas as set forth in their individual Service Agreements.

MINIMUM CHARGE:

A Bill Issuance Charge of \$0.81 per bill in addition to the following:

Owego Area, Goshen Area, Lockport Area and Oneonta and Norwich Districts (Combined Area):

April to October, Inclusive (for the entire period or during period service is taken within such months, whichever is less. For the initial term of service the amount shall be prorated based on the number of days service is taken). Customer shall be required to purchase under this service classification and/or transport under Schedule P.S.C. No. 88 Gas, or superseding issues thereof, a minimum quantity of 70,000 Therms. If this minimum is not met, the deficiency shall be billed at the applicable price as set forth on the Statement of Gas Interruptible Transportation Rate Adjustment filed pursuant to P.S.C. No. 88 Gas, or superseding issues thereof, effective on October 31 of each year.

In the event that service is interrupted by the Company in accordance with the terms of this service classification, then the Minimum Charge shall be multiplied by the ratio of the number of days that service is available to the customer for a full day to the total number of days in the service period.

November to March, Inclusive - None.

Binghamton Area:

The Minimum Charge shall be based on a minimum quantity of 40,000 therms per billing month delivered to the Customer and priced at the currently applicable price per therm and other supplemental charges.

PSC No: 87 - Gas
New York State Electric & Gas Corporation
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SERVICE CLASSIFICATION NO. 3 (CONT'D)

INTERRUPTIBLE SALES SERVICE (CONT'D)

MINIMUM CHARGE: (CONT'D)

Binghamton Area: (Cont'd)

In the event that service is interrupted by the Company in accordance with the terms of this service classification, then the Minimum Charge shall be multiplied by the ratio of the number of days that service is available to the customer for a full day to the total number of days in the service period.

Champlain Area and Plattsburgh District (Combined Area):

Customer will be required to purchase under this service classification a minimum annual quantity of 70,000 Therms. If this minimum is not met, the deficiency will be billed at the Customer's applicable Fixed Price less the cost of gas, or the applicable price as set forth on the Interruptible Rate Statement filed pursuant to this Schedule effective on October 31 of each year, less the cost of gas.

In the event that service is interrupted by the Company in accordance with the terms of this service classification, then the Minimum Charge shall be multiplied by the ratio of the number of days that service is available to the Customer for a full day to the total number of days in the service period.

INCREASE IN PRICES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED:

The prices and charges under this service classification, including the Minimum Charge, will be increased by a surcharge pursuant to General Information Section 3 of this Schedule to reflect the tax rates applicable within the municipality where the customer takes service.

RATE ADJUSTMENT MECHANISM ("RAM"):

The RAM shall be applied per therm to all therms delivered under this Service Classification (as explained in this Schedule, General Information Rule 9). See RAM Statement.

CUSTOMER NOMINATIONS:

Customers electing service hereunder shall provide the Company with an estimate of their daily load profile.

PSC No: 87 - Gas

NEW YORK STATE ELECTRIC & GAS CORPORATION

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SERVICE CLASSIFICATION NO. 4 (CONT'D)

NATURAL GAS MOTOR VEHICLES (CONT'D)

MINIMUM CHARGE:

Shall be the Basic Administration Charge for customers in Categories 1 and 2 plus the Bill Issuance Charge of \$0.81 per bill.

For customers in Categories 3 and 4, the Bill Issuance Charge of \$0.81 per bill.

NOTIFICATION OF PRICE:

The Natural Gas Vehicle Rate Statement shall be filed with the PSC no later than three days before the effective date. Such statement shall be readily accessible to the public.

INCREASE IN PRICES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED:

The prices and charges under this service classification, including the Minimum Charge, shall be increased by a surcharge pursuant to General Information Section 3 of this Schedule to reflect the tax rates applicable within the municipality where the Customer takes service.

Any Federal, State and/or Local taxes required to be collected by the Company on sales of natural gas for use in motor vehicles shall be charged for all sales made hereunder.

TERMS OF PAYMENT:

All bills for customers are rendered at the above "unit prices" and that amount is due on bills paid on or before the "past due" date indicated on the bill. A late payment charge at the rate of 1½% per month shall be billed on all amounts not paid by that date. (Further details can be found in Section 8 of P.S.C. No. 90 Gas, or superseding issues thereof.)

TERM:

One month and thereafter until terminated by 48 hours' notice.

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

PSC No: 87 - Gas
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SERVICE CLASSIFICATION NO. 5

SEASONAL GAS COOLING SERVICE

APPLICABLE TO THE USE OF SERVICE FOR:

General gas service to non-residential customers (also taking service under another service classification) exclusively for natural gas cooling or desiccant dehumidifying equipment. Service hereunder is only available during the period May through September of each year.

CHARACTER OF SERVICE:

Continuous - natural gas or a mixture of natural gas and synthetic natural gas with a Btu content of not less than 975 Btu per cubic foot for the Lockport Area, not less than 950 Btu per cubic foot for the Champlain Area, and not less than 1,000 Btu per cubic foot for all other areas. Normal pressure 7" but not less than 4" water column. At the option of the Company, gas shall be supplied at high pressure, where such service is available.

PRICE: (Per Month, May through September)

The Company's unbundled charges are:

(1) Gas Delivery Charges:

A. Delivery Rates:

All Areas	Effective Date		
	07/01/16	05/01/17	05/01/18
Basic Service Charge First 3 Therms or less	\$16.86	\$16.86	\$16.86
Usage Charge (per Therm) Over 3 Therms	0.03433	0.03791	0.04168

Bill Issuance Charge (per bill): \$0.81, as described in P.S.C. No. 88, General Information Section 32.

PSC No: 87 - Gas

NEW YORK STATE ELECTRIC & GAS CORPORATION

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SERVICE CLASSIFICATION NO. 5 (CONT'D)

SEASONAL GAS COOLING SERVICE (CONT'D)

PRICE: (Per Month, May through September) (CONT'D)

(1) Gas Delivery Charges: (Cont'd)

B. Transition Surcharge (TS):

Customers in all areas shall also be charged the applicable Transition Surcharge (TS) pursuant to General Information Section 16 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

C. Surcharge to Collect Temporary State Assessment:

Customers in all areas shall also be charged the Temporary State Assessment per Therm of gas delivered as explained in Section 21 of P.S.C. No. 90 Gas, or superseding issues thereof.

D. System Benefits Charge (SBC):

Customers in all areas shall also be charged the System Benefits Charge (SBC) pursuant to General Information Section 20 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

E. Research and Development (R&D) Adjustment:

The charges set forth herein shall be subject to a R&D Adjustment per Therm of gas delivered as explained in Section 18 of P.S.C. No. 90 Gas or superseding issues thereof.

(2) Gas Supply Charges:

A. Gas Supply Charge (GSC):

Customers in all areas shall also be charged the applicable Gas Supply Charge (GSC) pursuant to General Information Section 14 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

B. Merchant Function Charge (MFC):

Customers in all areas shall also be charged the applicable Merchant Function Charge (MFC) pursuant to General Information Section 14 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

C. Heater Fuel Charge:

A customer shall be subject to the Heater Fuel Charge pursuant to General Information Section 14 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

MINIMUM CHARGE:

The Minimum Charge is the basic service charge including the first 3 therms or less, per meter plus the Bill Issuance Charge per bill.

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

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SERVICE CLASSIFICATION NO. 5 (CONT'D)

SEASONAL GAS COOLING SERVICE (CONT'D)

INCREASE IN PRICES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED:

The prices and charges under this service classification, including the Minimum Charge, shall be increased by a surcharge pursuant to General Information Section 3 of this Schedule to reflect the tax rates applicable within the municipality where the Customer takes service.

BILLING QUANTITY:

The quantity of gas billed under this service classification shall be metered separately from all other natural gas consumption.

RATE ADJUSTMENT MECHANISM ("RAM"):

The RAM shall be applied per therm to all therms delivered under this Service Classification (as explained in this Schedule, General Information Rule 9). See RAM Statement.

TERMS OF PAYMENT:

All bills are due to be paid on or before the "past due" date indicated on the bill. A late payment charge at the rate of 1½% per month shall be billed on all amounts not paid by that date. (Further details can be found in Section 8 of P.S.C. No. 90 Gas, or superseding issues thereof.)

TERM:

One month and thereafter until terminated by 48-hours' notice.

SPECIAL PROVISIONS:

A. Budget Billing:

Customers may, by signing an application, be billed monthly in accordance with the plan set forth in Section 8.Q. of P.S.C. No. 90 Gas, or superseding issues thereof.

B. Gas Used October Through April:

All gas used during the period October through April of each year shall be in accordance with the prices and provisions of the service classification applicable to the Customer's gas usage which is not for gas cooling or desiccant dehumidifying equipment.

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

PSC No: 87 - Gas
NEW YORK STATE ELECTRIC & GAS CORPORATION
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SERVICE CLASSIFICATION NO. 9

INDUSTRIAL MANUFACTURING OR PROCESSING PURPOSES

APPLICABLE TO USE OF SERVICE FOR (BINGHAMTON AREA):

All purposes by customers whose principal use of gas is for industrial manufacturing or processing purposes or for drilling and operating oil or gas wells.

CHARACTER OF SERVICE:

Curtailable - natural gas of not less than 1,000 Btu per cubic foot or in the case of emergency or when it is to the economic benefit of customers, liquefied petroleum gas or a mixture of natural gas and liquefied petroleum gas, supplied at a pressure within the limits specified by PSC Order of June 25, 1957 (Case 15686).

PRICE (Per Month, Per Meter):

(1) Gas Delivery Charges:

A. Delivery Rates:

Binghamton Area	Effective Date		
	07/01/16	05/01/17	05/01/18
Basic Service Charge First 500 Therms or less	\$304.84	\$328.23	\$352.77
Usage Charge (per Therm)			
Next 14,500 Therms	0.15399	0.16580	0.17820
Over 15,000 Therms	0.12000	0.12000	0.12000

Bill Issuance Charge (per bill): \$0.81, as described in P.S.C. No. 88, General Information Section 32.

B. Weather Normalization Adjustment (WNA):

Customers in all areas shall also be charged the applicable Weather Normalization Adjustment (WNA) pursuant to General Information Section 17 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

C. Transition Surcharge (TS):

Customers shall also be charged the applicable Transition Surcharge (TS) pursuant to General Information Section 16 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

SERVICE CLASSIFICATION NO. 9 (CONT'D)
INDUSTRIAL MANUFACTURING OR PROCESSING PURPOSES (CONT'D)

PRICE (Per Month, Per Meter): (Cont'd)

(1) Gas Delivery Charges (Cont.):

- D. Surcharge to Collect Temporary State Assessment:
The charges set forth herein shall be subject to a surcharge to collect the Temporary State Assessment per Therm of gas delivered as explained in Section 21 of P.S.C. No. 90 Gas, or superseding issues thereof.
- E. System Benefits Charge (SBC):
Customers in all areas shall also be charged the System Benefits Charge (SBC) pursuant to General Information Rule 20 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.
- F. Research and Development (R&D) Adjustment:
The charges set forth herein shall be subject to a R&D Adjustment per Therm of gas delivered as explained in Section 18 of P.S.C. No. 90 Gas or superseding issues thereof.

(2) Gas Supply Charges:

- A. Gas Supply Charge (GSC) or Incremental Gas Supply Charge (IGSC):
Customers in all areas shall also be charged the applicable Gas Supply Charge (GSC) or Incremental Gas Supply Charge (IGSC) pursuant to General Information Sections 14 and 15 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.
- B. Merchant Function Charge (MFC):
Customers in all areas shall also be charged the applicable Merchant Function Charge (MFC) pursuant to General Information Section 14 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.
- C. Heater Fuel Charge:
A customer shall be subject to the Heater Fuel Charge pursuant to General Information Section 14 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

MINIMUM CHARGE:

The Minimum Charge is the Basic Service Charge including the charge for the first 500 Therms or less, per meter plus the Bill Issuance Charge per bill.

RATE ADJUSTMENT MECHANISM ("RAM"):

The RAM shall be applied per therm to all therms delivered under this Service Classification (as explained in this Schedule, General Information Rule 9). See RAM Statement.

TERMS OF PAYMENT:

All bills are rendered at the above "unit prices" and that amount is due on bills paid on or before the "past due" date indicated on the bill. A late payment charge at the rate of 1½% per month shall be billed on all amounts not paid by that date. (Further details can be found in Section 8 of P.S.C. No. 90 Gas, or superseding issues thereof.)

INCREASE IN PRICES APPLICABLE IN MUNICIPALITIES WHERE SERVICE IS SUPPLIED:

The prices and charges under this service classification, including the Minimum Charge, shall be increased by a surcharge pursuant to General Information Rule 3 of this Schedule to reflect the tax rates applicable within the municipality where the Customer takes service.

TERM:

One month and thereafter until terminated by 48 hours' notice.

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New York State Electric & Gas Corporation

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SERVICE CLASSIFICATION NO. 9 (CONT'D)

INDUSTRIAL MANUFACTURING OR PROCESSING PURPOSES (CONT'D)

SPECIAL PROVISIONS:

A. RESERVED FOR FUTURE USE

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New York State Electric & Gas Corporation
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SERVICE CLASSIFICATION NO. 9 (CONT'D)

INDUSTRIAL MANUFACTURING OR PROCESSING PURPOSES (CONT'D)

SPECIAL PROVISIONS: (CONT'D)

B. ECONOMIC DEVELOPMENT ZONE INCENTIVE (EDZI)

Customers who qualify, under the Economic Development Zone Incentive (EDZI) in Section 7 of the General Information section of this Schedule, to receive an incentive for usage qualified on or after 10/01/04 shall have their service bills reduced for a term of 10 years following initial zone certification, beginning with the eligibility date on the zone certificate (unless the customer's initial zone certification becomes invalid), notwithstanding the expiration of the designation of an Economic Development Zone in the area where the customer is located. The reduction shall be based on the following discount rates for such qualified Therms in excess of the base amount established for each monthly billing period (as described in General Information Section 7 of this Schedule):

EDZI Incentive Rates for Binghamton Area:

Effective Date	09/01/12
Discount Rate (per Therm)	
Next 450 Therms	0.0000
Next 14,500 Therms	0.0475
Next 5,000 Therms	0.0475
Over 20,000 Therms	0.0475

As provided in General Information Section 7 of this Schedule, new service under this provision shall no longer be available to customers on or after September 26, 2010. Customers shall pay a monthly service bill at the rates and charges under the standard service classification rate.

SERVICE CLASSIFICATION NO. 10 (CONT'D)

**NON-RESIDENTIAL DISTRIBUTED GENERATION
 FIRM SALES SERVICE (CONT'D)**

PRICE (per month):

(1) Gas Delivery Charges:
Effective 07/01/2016:

A.	Small DG Customer – DG < 5 MW	<u>Summer</u> <u>April–October</u>	<u>Winter</u> <u>November–March</u>
1)	Using 0 to 40,000 Therms/year		
	Basic Service Charge:		
	First 3 Therms or less	\$23.60	\$23.60
	Bill Issuance Charge (per bill)	0.81	0.81
	Usage Charge: (per Therm)		
	Next 497 Therms	0.17880	0.15295
	Next 14,500 Therms	0.10191	0.08811
	Over 15,000 Therms	0.06319	0.05420
2)	Using 40,001 to 250,000 Therms/year		
	Basic Service Charge:		
	First 500 Therms or less	\$304.84	\$304.84
	Bill Issuance Charge (per bill)	0.81	0.81
	Usage Charge: (per Therm)		
	Next 14,500 Therms	0.08993	0.07702
	Over 15,000 Terms	0.06299	0.05469
3)	Using > 250,000 Therms/year		
	Basic Service Charge:		
	First 500 Therms or less	\$1,405.24	\$1,405.24
	Bill Issuance Charge (per bill)	0.81	0.81
	Usage Charge: (per Therm)		
	Next 14,500 Therms	0.10899	0.08625
	Next 35,000 Therms	0.05647	0.04647
	Over 50,000 Terms	0.05272	0.04359
B.	Large DG customer – DG 5 MW - <50 MW		
1)	Basic Service Charge:		
	First 500 Therms or less	\$1,405.24	\$1,405.24
	Bill Issuance Charge (per bill)	0.81	0.81
	Demand Charge: (per Therm of demand)		
	For MDQ over 23 Therms	1.0000	1.0000
	Usage Charge: (per Therm)		
	All Therms over 500	0.01609	0.01318

SERVICE CLASSIFICATION NO. 10 (CONT'D)

**NON-RESIDENTIAL DISTRIBUTED GENERATION
 FIRM SALES SERVICE (CONT'D)**

PRICE (per month):

(1) Gas Delivery Charges (Cont'd):
Effective 05/01/2017:

A.	Small DG Customer – DG < 5 MW	<u>Summer</u> <u>April–October</u>	<u>Winter</u> <u>November–March</u>
1)	Using 0 to 40,000 Therms/year		
	Basic Service Charge:		
	First 3 Therms or less	\$23.60	\$23.60
	Bill Issuance Charge (per bill)	0.81	0.81
	Usage Charge: (per Therm)		
	Next 497 Therms	0.19619	0.16774
	Next 14,500 Therms	0.11175	0.09663
	Over 15,000 Therms	0.06912	0.05944
2)	Using 40,001 to 250,000 Therms/year		
	Basic Service Charge:		
	First 500 Therms or less	\$330.51	\$330.51
	Bill Issuance Charge (per bill)	0.81	0.81
	Usage Charge: (per Therm)		
	Next 14,500 Therms	0.09750	0.08351
	Over 15,000 Terms	0.06299	0.05469
3)	Using > 250,000 Therms/year		
	Basic Service Charge:		
	First 500 Therms or less	\$1,561.10	\$1,561.10
	Bill Issuance Charge (per bill)	0.81	0.81
	Usage Charge: (per Therm)		
	Next 14,500 Therms	0.12111	0.09581
	Next 35,000 Therms	0.06275	0.05162
	Over 50,000 Terms	0.05273	0.04359
B.	Large DG customer – DG 5 MW - <50 MW		
1)	Basic Service Charge:		
	First 500 Therms or less	\$1,561.10	\$1,561.10
	Bill Issuance Charge (per bill)	0.81	0.81
	Demand Charge: (per Therm of demand)		
	For MDQ over 23 Therms	1.07000	1.07000
	Usage Charge: (per Therm)		
	All Therms over 500	0.01718	0.01406

SERVICE CLASSIFICATION NO. 10 (CONT'D)

**NON-RESIDENTIAL DISTRIBUTED GENERATION
 FIRM SALES SERVICE (CONT'D)**

PRICE (per month):

(1) Gas Delivery Charges (Cont'd):
Effective 05/01/2018:

A.	Small DG Customer – DG < 5 MW	<u>Summer</u> <u>April–October</u>	<u>Winter</u> <u>November–March</u>
1)	Using 0 to 40,000 Therms/year		
	Basic Service Charge:		
	First 3 Therms or less	\$23.60	\$23.60
	Bill Issuance Charge (per bill)	0.81	0.81
	Usage Charge: (per Therm)		
	Next 497 Therms	0.21424	0.18326
	Next 14,500 Therms	0.12211	0.10558
	Over 15,000 Therms	0.07572	0.06494
2)	Using 40,001 to 250,000 Therms/year		
	Basic Service Charge:		
	First 500 Therms or less	\$357.39	\$357.39
	Bill Issuance Charge (per bill)	0.81	0.81
	Usage Charge: (per Therm)		
	Next 14,500 Therms	0.10539	0.09030
	Over 15,000 Terms	0.06307	0.05469
3)	Using > 250,000 Therms/year		
	Basic Service Charge:		
	First 500 Therms or less	\$1,723.55	\$1,723.55
	Bill Issuance Charge (per bill)	0.81	0.81
	Usage Charge: (per Therm)		
	Next 14,500 Therms	0.13277	0.10578
	Next 35,000 Therms	0.06924	0.05699
	Over 50,000 Terms	0.05284	0.04359
B.	Large DG customer – DG 5 MW - <50 MW		
1)	Basic Service Charge:		
	First 500 Therms or less	\$1,723.55	\$1,723.55
	Bill Issuance Charge (per bill)	0.81	0.81
	Demand Charge: (per Therm of demand)		
	For MDQ over 23 Therms	1.15000	1.15000
	Usage Charge: (per Therm)		
	All Therms over 500	0.01840	0.01507

PSC NO. 87 Gas

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SERVICE CLASSIFICATION NO. 10 (CONT'D)

**NON-RESIDENTIAL DISTRIBUTED GENERATION
FIRM SALES SERVICE (CONT'D)**

PRICE (per month): (CONT'D)

(1) Gas Delivery Charges: (Cont'd)

C. Transition Surcharge (TS):

Customers in all areas shall also be charged the applicable Transition Surcharge (TS) pursuant to General Information Section 16 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

D. Surcharge to Collect Temporary State Assessment:

Customers in all areas shall also be charged the Temporary State Assessment per Therm of gas delivered as explained in Section 21 of P.S.C. No. 90 Gas, or superseding issues thereof.

E. System Benefits Charge (SBC):

Customers in all areas shall also be charged the System Benefits Charge (SBC) pursuant to General Information Section 20 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

F. Research and Development (R&D) Adjustment:

The charges set forth herein shall be subject to a R&D Adjustment per Therm of gas delivered as explained in Section 18 of P.S.C. No. 90 Gas or superseding issues thereof.

(2) Gas Supply Charges:

A. Gas Supply Charge (GSC) or Incremental Gas Supply Charge (IGSC):

Customers in all areas shall also be charged the applicable Gas Supply Charge (GSC) or Incremental Gas Supply Charge (IGSC) pursuant to General Information Sections 14 and 15 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

B. Merchant Function Charge (MFC):

Customers in all areas shall also be charged the applicable Merchant Function Charge (MFC) pursuant to General Information Section 14 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

C. Heater Fuel Charge:

A customer shall be subject to the Heater Fuel Charge pursuant to General Information Section 14 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

MINIMUM CHARGE (per month):

For all areas, the Minimum Charge is the Basic Service Charge, per meter plus the Bill Issuance Charge, per bill. Additionally, for a large DG customer, the Minimum Charge shall also include the Demand Charge per therm of Maximum Daily Demand Quantity (MDQ), excluding the portion included in the Basic Service Charge. The MDQ shall be determined in the same manner as the Maximum Daily Transportation Quantity (MDTQ) for a transportation customer taking service pursuant to P.S.C. No. 88 Gas. The Minimum Charge shall appear on the Customer's bill whether or not any gas was used during the billing period.

Issued by: James A. Lahtinen, Vice President - Rates & Regulatory Economics, Binghamton, NY

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SERVICE CLASSIFICATION NO. 10 (CONT'D)

**NON-RESIDENTIAL DISTRIBUTED GENERATION
FIRM SALES SERVICE (CONT'D)**

INCREASE IN PRICES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED:

The prices and charges under this service classification, including the Minimum Charge, shall be increased by a surcharge pursuant to General Information Rule 3 of this Schedule to reflect the tax rates applicable within the municipality where the Customer takes service.

RATE ADJUSTMENT MECHANISM ("RAM"):

The RAM shall be applied per term to all terms delivered under this Service Classification (as explained in this Schedule, General Information Rule 9). See RAM Statement.

TERMS OF PAYMENT:

All bills are rendered at the above "unit prices" and that amount is due on bills paid on or before the "past due" date indicated on the bill. A late payment charge at the rate of 1½% per month shall be billed on all amounts not paid by that date. (Further details can be found in Section 8 of P.S.C. No. 90 Gas, or superseding issues thereof.)

TERM:

The term that a customer may be on this service classification is one year with one-year renewals thereafter. Renewals shall only be provided if the customer maintains at least a 50% load factor unless there are mitigating circumstances as determined by the Company. The Company shall review the customer usage annually beginning with the anniversary of the commercial operating the customer's DG unit and advise the customer if the load factor falls below 50%. If the load factor falls below 50%, the customer shall be removed from this rate for a period of 12 months, after which time they may reapply, provided they have achieved a 50% load factor over the 12-month period while not receiving service pursuant to this service classification.

SPECIAL PROVISIONS:

- A. Separate service lines for DG usage and non-DG usage shall not be required. However, if existing services and upstream distribution facilities are inadequate, the customer shall be responsible for all incremental costs incurred by the Company. DG customers shall be charged for additional facilities pursuant to the Company's existing rules set forth in P.S.C. No. 90 Gas, or superseding issues thereof.
- B. DG customers >5MW but < 50MW are responsible for ensuring a Company approved method of communication with the daily meter reading device, and that a suitable space for such equipment is provided and maintained. The customer shall reimburse the Company for the cost and expense of newly installed daily metering equipment, including communication service. Information regarding metering options is set forth in the Gas Transportation Operating Procedures Manual.
- C. DG rates pursuant to this service classification shall apply only to DG usage. Non-DG gas use shall be measured and billed separately and not under this service classification.
- D. Where multiple units are installed at one location, the total sum of all the unit nameplates (values rating) metered through one meter shall govern the service classification that shall apply.
- E. Rates established herein are ceilings which are fixed for at least three years.

SERVICE CLASSIFICATION NO. 11

RESIDENTIAL DISTRIBUTED GENERATION FIRM SALES SERVICE

APPLICABLE TO THE USE OF SERVICE FOR:

Firm Sales Service to any residential service described below who has or installs a gas-fueled distributed generation (DG) facility that represents generating units designed to provide electricity to the customer. Such distributed generation facilities may include, but not be limited to, reciprocating engines, steam turbines, gas turbines and emerging gas technologies such as fuel cells and microturbines. Service under this service classification is available throughout the Company's service territory to which this schedule applies, providing the Company has facilities available and adequate for the load.

Residential Service in individual private dwellings, including two-family dwellings where the customer is a resident, flats or apartments, and separately metered non-space/water heating equipment in common areas used by tenants of individually metered multi-family residences of 10 units or less. Also for all gas utilized exclusively in connection with religious purposes by any corporation, association or school organized and conducted in good faith for religious purposes; or any post or hall owned or leased by a not-for-profit corporation that is a veterans' organization. Applicable also to use exclusively in connection with a community residence for the mentally disabled, as defined in Subdivision 28, 28-a, or 28-b of Section 1.03 of the Mental Hygiene Law, provided that such residence is operated by a not-for-profit corporation and, if supervisory staff is on site 24 hours a day, that the residence provides living accommodations for 14 or fewer residents.

CHARACTER OF SERVICE:

Continuous - natural gas or a mixture of natural gas and synthetic natural gas with a Btu content of not less than 975 Btu per cubic foot for the Lockport Area, not less than 950 Btu per cubic foot for the Champlain Area, and not less than 1,000 Btu per cubic foot for all other areas. Normal pressure 7" but not less than 4" water column. At the option of the Company, gas shall be supplied at high pressure, where such service is available.

PRICE: (Per Month)

The Company's unbundled charges are:

(1) Gas Delivery Charges:

A. Delivery Rates:

For All Areas	Effective Date		
	07/01/16	05/01/17	05/01/18
Basic Service Charge First 3 Therms or less	\$16.30	\$16.30	\$16.30
Usage Charge (Over 3 Therms)	0.19285	0.21708	0.24245

Bill Issuance Charge (per bill): \$0.81, as described in P.S.C. No. 88, General Information Section 32.

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SERVICE CLASSIFICATION NO. 11 (CONT'D)

RESIDENTIAL DISTRIBUTED GENERATION FIRM SALES SERVICE (CONT'D)

MINIMUM CHARGE:

For all areas the Minimum Charge is the basic service charge, including the charge for the first three Therms or less, per meter.

INCREASE IN PRICES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED:

The prices and charges under this service classification, including the Minimum Charge, shall be increased by a surcharge pursuant to General Information Rule 3 of this Schedule to reflect the tax rates applicable within the municipality where the Customer takes service.

RATE ADJUSTMENT MECHANISM ("RAM"):

The RAM shall be applied per therm to all therms delivered under this Service Classification (as explained in this Schedule, General Information Section 9). See RAM Statement.

TERMS OF PAYMENT:

All bills are rendered at the above "unit prices" and that amount is due on bills paid on or before the "past due" date indicated on the bill. A late payment charge at the rate of 1½% per month shall be billed on all amounts not paid by that date. (Further details can be found in Section 8 of P.S.C. No. 90 Gas, or superseding issues thereof.)

TERMS:

The term that a customer may be on this service classification is one year with one-year renewals thereafter. Renewals shall only be provided if the customer maintains at least a 50% load factor unless there are mitigating circumstances as determined by the Company. The Company shall review the customer usage annually beginning with the anniversary of the operation of the customer's DG unit and advise the customer if the load factor falls below 50%. The load factor shall be calculated using the customer's actual annual usage for the preceding 12 month period and an estimate of customer's peak day usage based on the DG unit and appliances in service. If the load factor falls below 50%, the customer shall be removed from this rate for a period of 12 months, after which time they may reapply, provided they have achieved a 50% load factor over the 12-month period while not receiving service pursuant to this service classification.

SPECIAL PROVISION:

A. Budget Billing:

Customers may, by signing an application, be billed monthly in accordance with the plan set forth in Section 8.Q. of P.S.C No. 90 Gas, or superseding issues thereof.