GENERAL INFORMATION

23. System Benefits Charge ("SBC")

A System Benefits Charge ("SBC") recovers costs associated with clean energy activities conducted by the New York State Energy Research and Development Authority ("NYSERDA"). The SBC will be applied to the Ccf usage on the bills of all customers taking service under Service Classification Nos. 1, 2 and 6 of this Schedule.

Except for the 10-month Statement of SBC filed to become effective March 1, 2016, the Statement of SBC will be filed on an annual basis, on no less than 15 days’ notice, to become effective January 1. The Statement will set forth the Clean Energy Fund ("CEF") Surcharge Rate.

Beginning March 1, 2016, the CEF Surcharge rate collects: (1) annual authorized collections associated with NYSERDA-run clean energy activities, including the Energy Efficiency Portfolio Standard ("EEPS"), and CEF, plus or minus any under- or over-collections for prior years; and (2) any over- or under-collections associated with Company-run EEPS programs authorized through 2015.

The CEF surcharge rate will be calculated by dividing the necessary collection amount by the forecasted Ccf deliveries for the period in which the Statement is to be in effect.

The Company-administered energy efficiency programs that are not recovered in base rates will be recovered separately in the Energy Efficiency Tracker Mechanism component of the Company’s Monthly Gas Adjustment.

Issued By: Timothy Cawley, President, Pearl River, New York
(Name of Officer, Title, Address)