SERVICE CLASSIFICATION NO. 1

APPLICABLE TO USE OF SERVICE FOR:

Residential and Space Heating service in the entire territory subject to the restrictions described in General Information Section 11. The total hourly input of a Commercial or Industrial Customer's space heating equipment shall not be more than 500,000 Btu except that the upper limit may be 1,000,000 Btu in the case of space heating service to Churches, Schools and Hospitals.

CHARACTER OF SERVICE:

Continuous; natural gas (or, in the case of emergency or for economy of operation, a mixture of natural and liquefied petroleum gas) of a Btu content per cubic foot of not less than 1,000 Btu on a monthly average, supplied at pressures within the limits prescribed in Title 16 Public Service, Part 255.60, the official compilation, Codes, Rules and Regulations of the State of New York.

RATE - MONTHLY:

(1) Delivery Charge

First 3 Ccf or less........@  $20.00
Next 47 Ccf.......................@  65.285 ¢ per Ccf
All over 50 Ccf.............@  62.835 ¢ per Ccf

(2) Gas Supply Charge

The Gas Supply Charge as described in General Information Section 12.1 shall apply to all gas sold under this Service Classification.

(3) Merchant Function Charge

The Merchant Function Charge as described in General Information Section 12.4 shall apply to all gas sold under this Service Classification.

(4) Monthly Gas Adjustment

The Monthly Gas Adjustment as described in General Information Section 12.2 shall apply to all gas sold under this Service Classification.

(5) Unauthorized Use of Gas

As explained in General Information Section 11.1.

(6) Billing and Payment Processing Charge

A Billing and Payment Processing Charge shall be assessed in accordance with General Information Section 6.5.
SERVICE CLASSIFICATION NO. 1 (Cont'd.)

RATE - MONTHLY: (Continued)

(7) System Benefits Charge

The System Benefits Charge as described in General Information Section 23 shall apply to all gas sold under this Service Classification.

(8) Revenue Decoupling Mechanism Adjustment

The provisions of the Company’s Revenue Decoupling Mechanism Adjustment as described in General Information Section 25 shall apply to gas sold under this Service Classification.

(9) Increase in Rates and Charges

The rates and charges under this Service Classification will be increased pursuant to General Information Section 15.

TERMS OF PAYMENT:

Bills are due when rendered, subject to late payment charge in accordance with provisions of General Information Section 6.6. If bill is not paid, service may be discontinued in accordance with provisions of General Information Section 9.1 and 9.2.

TERM:

Terminable at any time unless a specified period is required under a main extension agreement.

SPECIAL PROVISIONS:

Budget Billing (Optional)

Any residential customer or customer who is a condominium association or cooperative housing corporation taking service hereunder, and any other customer who has taken service hereunder for at least twelve months, may, upon request, be billed monthly in accordance with the budget billing plan provided for in General Information Section 6 of this tariff.