SERVICE CLASSIFICATION NO. 2

APPLICABLE TO USE OF SERVICE FOR:

Sales and delivery of electric power supply provided by the Company or delivery of electric power supply provided by an Energy Service Company under the Company's Retail Access Program to general secondary or primary service customers. All service at one location shall be taken through one meter except that service supplied under Special Provision B, Space Heating or Rider H shall be separately metered.

CHARACTER OF SERVICE:

Continuous, 60 cycles, A.C., single or three phase secondary or three phase primary as defined in General Information Section No. 4.

RATES - MONTHLY:

<table>
<thead>
<tr>
<th></th>
<th>Summer Months*</th>
<th>Other Months</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer Charges</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Non-Demand Billed Customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metered Service</td>
<td>$18.00</td>
<td>$18.00</td>
</tr>
<tr>
<td>Unmetered Service</td>
<td>$17.00</td>
<td>$17.00</td>
</tr>
<tr>
<td>(b) Secondary Demand Service</td>
<td>$21.00</td>
<td>$21.00</td>
</tr>
<tr>
<td>(c) Primary Service</td>
<td>$35.00</td>
<td>$35.00</td>
</tr>
<tr>
<td><strong>Delivery Charges</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Non-Demand Billed Customers (Includes Unmetered)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Usage Charge</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All kWh</td>
<td>..................@</td>
<td>7.495 ¢ per kWh</td>
</tr>
</tbody>
</table>

* June through September

Issued By: Timothy Cawley, President, Pearl River, New York
SERVICE CLASSIFICATION NO. 2 (Continued)

RATES - MONTHLY: (Continued)

(2) Delivery Charges (Continued)

(b) Secondary Demand Billed Service

Demand Charge

First 5 kW or less  .............@  $1.75 per kW  $1.03 per kW
All Over 5 kW  .............@  $14.42 per kW  $8.38 per kW

Usage Charge

First 1250 kWh  .............@  6.165 ¢ per kWh  4.759 ¢ per kWh
Use up to 30,000 kWh or 300 hours
use of billing demand,
whichever is greater  .............@  2.977 ¢ per kWh  2.868 ¢ per kWh
Use in excess of 30,000 kWh
or 300 hours use of billing
demand, whichever is greater..@  1.499 ¢ per kWh  1.389 ¢ per kWh

(c) Primary Service

Demand Charge

All kW  .............@  $13.75 per kW  $7.64 per kW

Usage Charge

All kWh  .............@  1.924 ¢ per kWh  1.918 ¢ per kWh

* June through September

Issued By: Timothy Cawley, President, Pearl River, New York
SERVICE CLASSIFICATION NO. 2 (Continued)

RATES - MONTHLY: (Continued)

(3) Reactive Power Demand Charge

A Reactive Power Demand Charge shall be assessed in accordance with General Information Section No. 7.

(4) Energy Cost Adjustment, System Benefits Charge, Transition Adjustment for Competitive Services, and Charges for Municipal Undergrounding

The provisions of the Company’s Energy Cost Adjustment, System Benefits Charge and Transition Adjustment for Competitive Services as described in General Information Section Nos. 25, 26 and 29, respectively, and Charges for Municipal Undergrounding as described in General Information Section No. 20, if applicable, shall apply to electricity delivered under this Service Classification.

(5) Revenue Decoupling Mechanism Adjustment

The provisions of the Company’s Revenue Decoupling Mechanism Adjustment as described in General Information Section No. 30 shall apply to electricity delivered under this Service Classification.

Customers taking service under Rider H shall not be subject to this provision.

(6) Temporary State Assessment Surcharge

The Temporary State Assessment Surcharge as described in General Information Section No. 24 shall apply to electricity delivered under this Service Classification.

(7) Merchant Function Charge

The Merchant Function Charge as described in General Information Section No. 28 shall apply to Full Service Customers. Retail Access Customers shall not be subject to this charge.

(8) Billing and Payment Processing Charge

A Billing and Payment Processing Charge shall be assessed in accordance with General Information Section No. 7.5.

Issued By: Timothy Cawley, President, Pearl River, New York
RATES - MONTHLY: (Continued)

(9) Metering Charges

The following Metering Charges shall be assessed on all customers, except unmetered service customers, taking service under this Service Classification, unless such metering service(s) is obtained competitively pursuant to General Information Section No. 7:

<table>
<thead>
<tr>
<th>Secondary Service</th>
<th>Customers Eligible For Mandatory DAHP</th>
<th>All Other Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Meter Ownership Charge</td>
<td>$20.44</td>
<td>$2.81</td>
</tr>
<tr>
<td>b) Meter Service Provider Charge</td>
<td>$18.48</td>
<td>$10.24</td>
</tr>
<tr>
<td>c) Meter Data Service Provider Charge</td>
<td>$31.76</td>
<td>$3.05</td>
</tr>
</tbody>
</table>

Primary Service

| a) Meter Ownership Charge | $20.44 | $5.28 |
| b) Meter Service Provider Charge | $18.48 | $19.24 |
| c) Meter Data Service Provider Charge | $31.76 | $2.95 |

(10) Market Supply Charge

The provisions of General Information Section No. 15 shall apply to electricity provided and sold by the Company under this Service Classification. Retail Access Customers shall not be subject to this charge.

(11) Increase in Rates and Charges

All rates and charges for service under this Service Classification will be increased pursuant to General Information Section No. 19.
SERVICE CLASSIFICATION NO. 2 (Continued)

MINIMUM MONTHLY CHARGE:

The sum of the customer charge, the demand charge, and the reactive power demand charge, if applicable, plus any applicable metering and/or billing and payment processing charges.

DETERMINATION OF DEMAND:

The monthly billing demand in kW shall be either the greatest connected load or the greatest 15-minute integrated demand, determined as follows:

Billing demands may be on a connected load basis when a demand meter would not reduce the billing demand, the installation is temporary, or the device has a large instantaneous or highly fluctuating demand.

Billing shall be on a demand meter basis in all other cases. The billing demand for the billing months of October through May inclusive shall not be less than 70% of the highest metered demand for the preceding billing months of June through September inclusive.

Customers who are not expected to use at least 5 kW will not normally have a demand meter installed. However, should such customer use 800 kWh or more in each of two consecutive months, the Company will install a suitable demand meter.

TERMS OF PAYMENT:

Bills are due when rendered, subject to a late payment charge in accordance with provisions of General Information Section No. 7.6. If bill is not paid, service may be discontinued in accordance with provisions of General Information Section Nos. 11.1 and 11.2.

TERM:

Service is terminable at any time after one year unless a longer period is required under a line extension agreement. The Company reserves the right to require a longer initial term when special construction is required to furnish the service.
SERVICE CLASSIFICATION NO. 2 (Continued)

EXTENSION OF FACILITIES:

Where service is supplied from an extension the charges thereon shall be determined as provided in General Information.

SPECIAL PROVISIONS:

(A) Short Term Service

When short term service is requested, the Company reserves the right to require a deposit of the estimated bill for the period service is desired. The minimum charge for such short term service shall be an amount equal to six times the minimum monthly charge, payable in advance. When construction is necessary, the cost of installation and removal of all equipment, less salvage value, must be borne by the customer, and a sufficient amount to cover these charges shall be paid in advance. A part of a month shall be considered a full month for computing all charges hereunder.

(B) Space Heating

Customers who take service under this classification for 10 kW or more of permanently installed space heating equipment may elect to have the electricity for this service billed separately. All monthly use will be billed at a Delivery Charge of 2.339¢ per kWh during the billing months of October through May and at a Delivery Charge of 9.361¢ per kWh during the other billing months. When this option is requested it shall apply for at least twelve months and shall be subject to a minimum charge of $19.96 per year per kW of space heating capacity. This rule applies for both heating and cooling where the two services are combined by the manufacturer in a single self-contained unit. All usage under this Special Provision shall also be subject to Parts (3) through (11) of RATES – MONTHLY.

This special provision is closed to new customers effective July 1, 2011.
SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS: (Continued)

(C) **Budget Billing (Optional)**

Any condominium association or cooperative housing corporation who takes service hereunder and any customer who has taken service for at least 12 months under Special Provision B, Space Heating may, upon request, be billed monthly for such service in accordance with the budget billing plan provided for in General Information Section No. 7 of this tariff.

(D) **Redistribution**

Submetering may be available under certain conditions as contained in General Information Section No. 8 of this tariff.

(E) **Remote Radio Transceivers**

When a Customer has accounts for service at each of no fewer than 100 different locations, each served under this Service Classification, the Customer Charge per account will be reduced by 50 percent, provided all of the following criteria are met:

1. Service under each account is supplied exclusively for use of radio transceivers that are located on street lights;
2. Service under each account is unmetered;
3. The usage calculated for each location and to be billed on the corresponding account is less than 30 kilowatthours per month.

The Company will issue a single monthly bill for all the qualifying accounts eligible for a reduced Customer Charge under this provision.