

GENERAL INFORMATION

12. 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 4.G); and
- (b) termination/disconnection and reconnection of service (pursuant to General Information Rule 4.E and General Information Rule 4.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 Section 6 to P.S.C. No. 120.

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.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York

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12. 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.