SERVICE CLASSIFICATION NO. 1 (Cont'd)

RESIDENCE DELIVERY RATE (Cont'd)

CHARACTER OF SERVICE

Continuous natural or manufactured gas having a monthly average heating value of not less than 1,000 Btu. per cu. ft. delivered at a pressure of not less than 4 inches nor more than 12 inches.

MONTHLY RATE per 100 CUBIC FEET (Ccf)	Effective August 1, 2006	Effective July 1, 2007
First 2 Ccf or Less	\$14.00	\$14.00
Next 48 Ccf	\$0.4620	\$0.5284
Additional Gas, Per Ccf	\$0.2892	\$0.3300

Bills rendered shall be based on periodic meter readings as provided in General Information, Section 13.

GAS SUPPLY CHARGE

The charges set forth herein shall be subject to a Gas Supply Charge as explained in General Information, Section 27.

MERCHANT FUNCTION CHARGE, SYSTEM BENEFITS CHARGE AND NEW YORK STATE ASSESSMENT

The charges set forth herein shall be subject to the Merchant Function Charge, System Benefits Charge and New York State Assessment as explained in General Information Section 42.

INCREASE IN RATES AND CHARGES

The rates and charges under this service classification, including the Gas Supply Charge, Merchant Function Charge, System Benefits Charge, New York State Assessment and minimum charge, are increased pursuant to General Information, Section 28, to reflect the tax rates applicable within the municipality where the customer takes service.

MINIMUM CHARGE

\$14.00 per month, plus applicable Gas Supply Charge, Merchant Function Charge, System Benefits Charge and New York State Assessment.

SUPPLEMENTAL BENEFIT CREDIT

The Supplemental Benefit Credit, as described in General Information Section 42.A, shall apply to eligible customers.