Received: 09/30/2004 Status: CANCELLED Effective Date: 10/01/2004

PSC No: 87 - Gas Leaf No. 17
NEW YORK STATE ELECTRIC & GAS CORPORATION Revision: 8
Initial Effective Date: 10/01/04 Superseding Revision: 7

SERVICE CLASSIFICATION NO. 2 (CONT'D)

GENERAL SERVICE (CONT'D)

PRICE: (Per Month) (CONT'D)

(1) Gas Delivery Charges: (Cont'd)

B. Weather Normalization Adjustment (WNA):

Customers in all areas will also be charged the applicable Weather Normalization Adjustment (WNA) pursuant to General Information Section 17 of PSC No. 90 Gas, or superseding issues thereof, for all Therm use.

C. <u>Transition Surcharge (TS)</u>:

Customers in all areas will also be charged the applicable Transition Surcharge (TS) pursuant to General Information Section 16 of PSC No. 90 Gas, or superseding issues thereof, for all Therm use.

(2) Gas Supply Charges:

A. Gas Supply Charge (GSC):

Customers in all areas will also be charged the applicable Gas Supply Charge (GSC) pursuant to General Information Section 14 of PSC No. 90 Gas, or superseding issues thereof, for all Therm use.

B. Merchant Function Charge (MFC):

Customers in all areas will also be charged the applicable Merchant Function Charge (MFC) pursuant to General Information Section 14 of PSC No. 90 Gas, or superseding issues thereof, for all Therm use.

MINIMUM CHARGE:

Through September 30, 2008, the Minimum Charge is the Basic Service Charge including the charge for the first 2 Therms or less, per meter, for the Binghamton Area and the first 3 Therms or less, per meter, for all other areas. Effective October 1, 2008, the Minimum Charge is the Basic Service Charge including the charge for the first 3 Therms or less, per meter, for all areas. The Basic Service Charge will appear on the Customer's bill whether or not any gas was used during the billing period.

Issued in compliance with Order in Case 01-G-1668 dated September 23, 2004

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York