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

PSC No: 88 - Gas Leaf No. 113.1

NEW YORK STATE ELECTRIC & GAS CORPORATION Revision: 1

Initial Effective Date: 10/01/04 Superseding Revision: 0

SERVICE CLASSIFICATION NO. 16 (CONT'D)

NON-RESIDENTIAL DISTRIBUTED GENERATION FIRM TRANSPORTATION SERVICE (CONT'D)

PRICE (per month): (CONT'D)

Gas Delivery Charges: (Cont'd)

C. Research and Development (R&D) Adjustment:

The charges set forth herein will be subject to a R&D Adjustment per Therm of gas delivered as explained in Section 18 of PSC No. 90 Gas, or superceding issues thereof.

D. Transition Surcharge (TS):

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.

E. 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.

MINIMUM CHARGE (per month):

For all areas, the Minimum Charge is the Basic Service Charge, per meter. Additionally, for a large DG customer, the Minimum Charge will also include the Demand Charge per therm of Maximum Daily Transportation Quantity (MDTQ), excluding the portion included in the Basic Service Charge. The Minimum 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 & Regulatory Economics, Binghamton, NY