PSC NO. 90 Gas NEW YORK STATE ELECTRIC & GAS CORPORATION Initial Effective Date: 10/01/04 Leaf : 95 Revision: 5 Superseding Revision: 4

GENERAL INFORMATION

15. BILL MITIGATION PLAN: (CONT'D)

- E. Bill Format: (Cont'd)
 - (3) In the event the application of the Mitigation Rate to any SC-13T customer's bill results in a negative total NYSEG gas bill, the Mitigation Rate (and associated Mitigation Deferral) will be adjusted to result in a zero amount due on the bill.
 - (4) Beginning the first month after completion of the phase-in, a surcharge equal to the Mitigation Adjustment will be applied to the TS line item of SC-01S and SC-13T customers' bills.
 - (5) The applicable therms for this option are those associated with SC-01S and SC-13T.

16. TRANSITION SURCHARGE (TS):

Except as noted below, the TS is applicable to the following:

PSC 87 Sales:	
SC 1	- Residential Service
SC 2	- General Service
SC 5	- Seasonal Gas Cooling Service
SC 8	- Firm Sales To Large General Service
SC 9	- Industrial Manufacturing and Processing
SC 10	- Non-Residential Distributed Generation Firm Sales Service

PSC 88 Transportation:

SC 1	- Firm Transportation Service
SC 5	- Small Firm Transportation Service
SC 13	- Residential Firm Aggregation Transportation Service
SC 14	- Non-Residential Firm Aggregation Transportation Service
SC 16	- Non-Residential Distributed Generation Firm Transportation Service

A statement of the Transition Surcharge (TS) will be filed with the PSC no later than three (3) days before its effective date.

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