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Effective Date: 02/01/2006

PSC No: 87 - Gas

NEW YORK STATE ELECTRIC & GAS CORPORATION

Initial Effective Date: 01/01/06

Leaf No. 18

Revision: 5

Superseding Revision: 4

SERVICE CLASSIFICATION NO. 2 (CONT'D)

GENERAL SERVICE (CONT'D)

INCREASE IN PRICES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED:

The prices and charges under this service classification, including the Minimum Charge, will be increased by a surcharge pursuant to General Information Section 3 of this Schedule to reflect the tax rates applicable within the municipality where the Customer takes service.

TERMS OF PAYMENT:

All bills are rendered at the above "unit prices" and that amount is due on bills paid on or before the "past due" date indicated on the bill. A late payment charge at the rate of one and one-half percent (1 1/2%) per month will be billed on all amounts not paid by that date. (Further details can be found in Section 8 of PSC No. 90 Gas, or superseding issues thereof.)

TERM:

One (1) month and thereafter until terminated by forty-eight (48) hours' written notice.

SPECIAL PROVISIONS:

A. Budget Billing (All Areas):

Customers may, by signing an application, be billed monthly in accordance with the plan set forth in Section 8.Q. of PSC No. 90 Gas, or superseding issues thereof.

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