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COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 0

INITIAL EFFECTIVE DATE: 11/07/97 SUPERSEDING REVISION:

STAMPS:

CANCELLED by Supplement 1 effective 01/01/00

RECEIVED: 08/20/97 STATUS: Cancelled EFFECTIVE: 11/07/97

SERVICE CLASSIFICATION NO. 3

INTERRUPTIBLE SALES SERVICE

APPLICABLE TO USE OF SERVICE FOR:

Throughout the territory served under this Schedule.

CHARACTER OF SERVICE:

Available to any customer using gas for any purpose when: (i) the Company's facilities and gas supply are adequate or can be economically provided to supply the Customer's requirements; (ii) such service will not unduly jeopardize the general character of existing interruptible service; and (iii) the Customer does not take service under any other service classification, except where, in the sole judgment of the Company, separate metering of interruptible gas under this Schedule is practicable.

All gas sold under this service classification shall be subject to interruption as determined at the sole discretion of the Company.

The Company shall give the Customer as much advance notice of interruption as is feasible at the sole judgment of the Company. Customer agrees that Company shall not be liable for any loss or damage that may be sustained by the Customer by reason of any interruption of service.

PRICE: (Per Month)

The monthly price per therm will be established, at the sole discretion of the Company. Prices will be based on market conditions for customers using the following characteristics: usage; load factor; geographic location; alternate fuel/access to alternate fuel; tax exemption status; and other market conditions as specified on the Interruptible Rate Statement.

The Company will determine the applicable price for each customer receiving service under this service classification. Such prices will NOT be less than the current market price of gas to be sold to these customers based on information received during the bid period for the following month plus \$.001 per Therm (minimum price). For each customer, the average maximum price over the term of the Service Agreement will be less than or equal to what the Customer would have paid under the applicable alternate firm sales price. The price may be outside the monthly maximum or minimum in any given month so long as the average price over the term of the Service Agreement is within the average maximum or minimum.