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COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 3
INITIAL EFFECTIVE DATE: 10/01/00 SUPERSEDING REVISION: 2
STAMPS: Issued in compliance with commission order dated 08/24/00 in case no.
RECEIVED: 09/05/00 STATUS: Effective EFFECTIVE: 10/01/00

SERVICE CLASSIFICATION NO. 2 (CONT'D)

INTERRUPTIBLE TRANSPORTATION SERVICE (CONT'D)

PRICE: (Per Month) (CONT'D)

Within each of the preceding service characteristics the Customer shall contract for either a monthly or fixed price, as described below:

A. Monthly Price:

This price will be applicable to transportation for customers who contract for transportation but who do not choose to contract for a fixed annual price. The price may be revised monthly.

B. Fixed Price:

This price will be applicable to transportation for customers who contract for a fixed price for a period of up to five (5) years. The contract sale will be the applicable price as stated on the Interruptible Transportation Rate Statement, applicable to the appropriate area and in effect on the date the Transportation Service Agreement is effective. During the term of the Transportation Service Agreement, the Customer may not take service under the Monthly Price except at the sole discretion of the Company.

If the provision of transportation service to the Customer requires the Company to engage the services of others, an amount reflecting the costs incurred by the Company will be added to this price.

For each customer, the average maximum price over the term of the Transportation Service Agreement will be less than or equal to what, in the Company's determination, the Customer would have paid for the equivalent alternate fuel less the applicable cost of natural gas. The given price may be outside the monthly maximum or minimum in any given month so long as the average price over the term of the Transportation Service Agreement is within the average maximum or minimum.

Issued By: George E. Bonner, Vice President - Gas Operations & Marketing, Binghamton, NY

(Name of Officer, Title, Address)