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COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 1
INITIAL EFFECTIVE DATE: 10/01/00 SUPERSEDING REVISION: 0
STAMPS: Issued in compliance with commission order dated 08/24/00 in case no.
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SERVICE CLASSIFICATION NO. 2 (CONT'D)

INTERRUPTIBLE TRANSPORTATION SERVICE (CONT'D)

SPECIAL PROVISIONS - ALL CUSTOMERS: (CONT'D)

- H. The Company may, at its sole discretion, adjust the prices charged customers that are exempt from the Petroleum Business Tax (PBT), imposed by Article 13-A of the New York State Tax Law. Such adjustments shall be made on a non-discriminatory basis, such that, PBT-exempt customers within the same rate area and rate category receive the same PBT adjustment.
- I. At the conclusion of the term of Agreement hereunder, except the initial term, the Customer may pay for any deficiency in deliveries from the minimum eligible quantity, at the Customer's applicable price for the last month of the term, and remain eligible for service under this service classification. Such initial term shall be two (2) years.

SPECIAL PROVISIONS - DISTILLATE FUEL CUSTOMERS:

- A. A Distillate Fuel Customer is a Customer that uses No. 2 fuel oil, diesel or kerosene.
- B. On November 1 of each year, a Distillate Fuel Customer meeting the alternate fuel requirement, as set forth in this service classification, is required to have an adequate supply of distillate fuel on-hand. A distillate fuel supply shall be considered on-hand and adequate if the supply is either: (a) on-site and sufficient to meet a minimum of ten (10) consecutive days requirements; or (b) if Customers physical facilities are insufficient to provide for a ten (10) day supply, then the Customer must: (i) have a full distillate fuel tank(s); and (ii) provide verification, to the Company's satisfaction, of alternative fuel supplies, other than spot market purchase of distillate fuel that, in combination with (a), provides for a ten (10) day supply.
- C. The Company shall have the right at any time to inspect Customer's physical facilities to determine compliance with Special Provisions - Distillate Fuel Customers (Section B). A Customer that refuses to permit the Company to inspect its facilities shall have one (1) Business Day to allow the Company to perform its inspection. If the Customer does not allow the Company to perform its inspection in the allotted time period, the Customer will be charged a premium as set forth in the "Price" section of this service classification. The premium will be in addition to all other applicable prices and charges and will be applied until such time as the facilities are inspected and found to be compliant.

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

(Name of Officer, Title, Address)