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GENERAL INFORMATION

15. BILL MITIGATION PLAN: (CONT'D)

B. Calculation of Mitigation Rate and Amount: (Cont'd)

- (2) In the months of October and November 2002, the gas cost rates embedded in SC-01S rates will continue as follows:

Gas Cost Rate Area	Rate (per therm)
Owego	\$0.3075
Goshen	\$0.2982
Lockport	\$0.3985
Elmira	\$0.4258
Combined	\$0.4272
Binghamton	\$0.3054
Champlain	\$0.3915

- (3) The difference between the gas costs billed in each of October and November 2002 and the gas costs that would otherwise be billed for each month pursuant to the market-based GSC shall be deemed the Mitigation Amount for that month.
- (4) The Mitigation Amount for December 2002 will be determined as follows:
- (a) the gas cost rate for each RA set forth in Section B.(2) above will be subtracted from the rate that would otherwise be charged in the same RA pursuant to a market-based GSC for December;
- (b) the difference calculated in (a) will be multiplied by the monthly mitigation percentages set forth below, expressed as a \$/therm rate.

<u>Month</u>	<u>Owego, Goshen, Lockport, Binghamton, Champlain RAs</u>	<u>Elmira, Combined RAs</u>
Dec-02	90%	80%

- (c) The \$/therm rate will be multiplied by the monthly forecast level of SC-01S sales to compute the Mitigation Amount. The Mitigation Amount will then be divided by the applicable forecast therms to derive the Mitigation Rate.

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