..DID: 21045 ..TXT: PSC NO: 87 GAS LEAF: 11 COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 3 INITIAL EFFECTIVE DATE: 12/01/02 SUPERSEDING REVISION: 2 STAMPS: Issued in compliance with Commission Order in Case 01-G-1668 dated 11/ RECEIVED: 11/26/02 STATUS: Effective EFFECTIVE: 12/01/02

GENERAL INFORMATION

3. INCREASE IN PRICES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED: (CONT'D)

The applicable Tax Surcharge Factors will be set forth on a statement (Tax Surcharge Factor Statement or "TSF Statement") filed with the PSC. Whenever the legislature, city, village or any other governmental authority levies a new tax on the Company, repeals such tax, or changes the rate of such tax, the Company will file a new statement.

Every such statement will be filed not less than fifteen (15) business day before the date on which the statement is proposed to be effective, and no sooner than the date when the tax enactment to which the statement responds; will become effective no sooner than the date when the tax enactment is filed with the Secretary of State; will be applicable to bills subject to the tax enactment that are rendered on or after the effective date of the statements; and will be canceled not more than five (5) business days after the tax enactment either ceases to be effective or is modified so as to reduce the tax rate.

Such statement will be duly filed with the PSC, apart from this Schedule, and will be readily accessible to the public.

4. Conditions of Gas Service:

Continuing until further order of the PSC, new gas customers will be connected and increased gas will be supplied to existing customers in accordance with Section 10 of PSC No. 90 Gas, or superseding issues thereof.

5. Transfer of Gas:

Customers, including commercial and industrial, eligible for gas transfer within the supplier system are required to pay for the installation of new main extensions and/or new service laterals if not in existence at the new location.

(For uniform regulations, refer to PSC No. 90 Gas, or superseding issues thereof.)