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 ..TXT: PSC NO: 87 GAS LEAF: 18
 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/
 Cancelled by 4 Rev. Leaf No. 18 Effective 02/01/2003
 RECEIVED: 11/26/02 STATUS: Cancelled EFFECTIVE: 12/01/02

SERVICE CLASSIFICATION NO. 2 (CONT'D)

GENERAL SERVICE (CONT'D)

INCREASE IN PRICES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED:

The prices and charges under this service classification, including the Minimum Charge, will be increased by a surcharge pursuant to General Information Section 3 of this Schedule to reflect the tax rates applicable within the municipality where the Customer takes service.

TERMS OF PAYMENT:

All bills are rendered at the above "unit prices" and that amount is due on bills paid on or before the "past due" date indicated on the bill. A late payment charge at the rate of one and one-half percent (1 1/2%) per month will be billed on all amounts not paid by that date. (Further details in Section 8 of PSC No. 90 Gas, or superseding issues thereof.)

TERM:

One (1) month and thereafter until terminated by forty-eight (48) hours' written notice.

SPECIAL PROVISIONS:

A. Balanced Billing (All Areas):

Customers may, by signing an application, be billed monthly in accordance with the plan set forth in Section 8.Q. of PSC No. 90 Gas, or superseding issues thereof.

B. Economic Development Incentive (EDI) (All Areas Except Binghamton and Champlain):

Upon application and sixty (60) days' notice to the Company, an existing or prospective customer engaged in manufacturing as defined in Division D encompassing Major Groups 20 through 39 of the Standard Industrial Classification Manual, who is eligible for service under this service classification, may qualify for the EDI, as stated in Special Provision D below, in the form of a reduction in the price per therm for use in excess of 500 Therms per month for certain gas use during a term of sixty (60) months. For a "process" customer, qualification is achieved by the installation of new or additional gas-utilizing equipment rated at 3.5 Therms per hour or more. For a "space conditioning" customer or a "space conditioning" and "process" customer, such additional equipment requires a rating of at least 10 Therms per hour. Customers will be eligible to qualify for the EDI for a period of sixty (60) months after the initial effective date of this provision.

Issued By: James A. Lahtinen, Vice President-Rates & Regulatory Economics, Binghamton, NY

(Name of Officer, Title, Address)