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COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 2
INITIAL EFFECTIVE DATE: 11/01/01 SUPERSEDING REVISION: 1
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SERVICE CLASSIFICATION NO. 15 (CONT'D)

BASIC ELECTRIC GENERATION TRANSPORTATION SERVICE

PRICE: (CONT'D)

- C. A Spark Spread Adjustment (SSA), which shall initially be set at zero (0), but which shall then be calculated on a quarterly basis to reflect 5% of the market "spark spread" between the cost of gas and the cost of electricity, per therm. For each customer, the calculation of the SSA shall be calculated in the following manner:

$$SSA = [(Wholesale Electric Price) - (Fuel Cost of Generation)] \times 0.05$$

Where: a) The Wholesale Electric Price will be the average of the wholesale electric price indices for the period, for the applicable region, as published in a standardly recognized electric industry publication; and b) the Fuel Cost of Generation shall be the spot cost of gas delivered to the Company's city gate for the applicable rate area and period multiplied by the Btu/kWh heat rate for the Customer.

- D. A Customer that fails to meet the requirements set forth under Special Provisions - Distillate Fuel Customers of this service classification shall be assessed a premium equal to the greater of one hundred thirty percent (130%) of the applicable gas equivalent alternate fuel price or one hundred thirty percent (130%) of the otherwise applicable sales price less an estimate of the Customer's natural gas price, as determined by the Company, per therm. The premium will be applied for the billing period during which noncompliance becomes known and for each subsequent billing period until the Customer has provided sufficient evidence, as determined by the Company, that it has fully complied with the requirements set forth under Special Provisions - Distillate Fuel Customers.

MINIMUM ANNUAL QUANTITY:

Customer will be required to transport and pay for, under this service classification, a minimum annual quantity of no less than fifty percent (50%) of the generator's maximum annual quantity, as specified in the Transportation Service Agreement.

INCREASES 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.

Issued By: Sherwood J. Raffety, Senior Vice President, Ithaca, NY
(Name of Officer, Title, Address)