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COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 1

INITIAL EFFECTIVE DATE: 04/01/99 SUPERSEDING REVISION: 0

STAMPS:

RECEIVED: 01/29/99 STATUS: Effective EFFECTIVE: 04/01/99

SERVICE CLASSIFICATION NO. 9

DAILY METERED TRANSPORTATION MONTHLY BALANCING SERVICE (CONT'D)

PRICE: (Per Month)

The Pool Operator shall pay a monthly demand charge for balancing service during the term of service equal to:

A. The cost of transportation and storage demand, storage capacity, storage injection and withdrawal charges, and commodity cost swings, which are used to meet balancing needs under this service classification.

Issued By: George E. Bonner, Vice President - Gas Operations & Marketing, Binghamton, NY (Name of Officer, Title, Address)