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

INITIAL EFFECTIVE DATE: 12/10/98 SUPERSEDING REVISION: 0

STAMPS: Issued in compliance with commission order in Case 98-G-0845 dted 12/0

RECEIVED: 12/10/98 STATUS: Effective EFFECTIVE: 12/10/98

SERVICE CLASSIFICATION NO. 3

INTERRUPTIBLE SALES SERVICE

APPLICABLE TO THE USE OF SERVICE FOR:

Binghamton Area:

Interruptible Service when the Company has facilities available and adequate for the load. Customer must purchase under this service classification in a minimum of 40,000 therms per billing month.

Owego Area, Goshen Area, Lockport Area and Oneonta and Norwich Districts (Combined Area):

Interruptible Service when the Company has facilities available and adequate for the load. Customer must purchase under this service classification and/or transport under Schedule PSC No. 88 Gas, or superseding issues thereof, a minimum of 70,000 Therms for the period April through October, inclusive, or during the period service is taken within said months. Service will not be supplied during the period November to March, inclusive, to any customers who do not take service during some portion of the balance of the year.

Champlain Area and Plattsburgh District (Combined Area):

Interruptible Service when the Company has facilities available and adequate for the load. Customer must purchase under this service classification a minimum of 70,000 Therms per year.

CHARACTER OF SERVICE:

Interruptible - natural gas or a mixture of natural gas and synthetic natural gas with a Btu content of not less than 975 Btu per cubic foot for the Lockport Area, not less than 950 Btu per cubic foot for the Champlain Area, and not less than 1,000 Btu per cubic foot for all other areas. Pressure at the option of the Company, but not less than two (2) psig for the Owego Area.

PRICE: (Per Month)

The monthly price per therm will be established, at the sole discretion of the Company. Prices will be based on market conditions for customers using the following characteristics: usage; load factor; geographic location; alternate fuel/access to alternate fuel; tax exemption status; and other market conditions as specified on the Interruptible Rate Statement.

Issued By: George E. Bonner, Vice President - Gas Operations & Marketing, Binghamton, NY