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COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 3

INITIAL EFFECTIVE DATE: 12/10/98 SUPERSEDING REVISION: 2

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

Cancelled by 4 Rev. Leaf No. 8 Effective 04/01/1999

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

GENERAL INFORMATION

2. TERRITORY TO WHICH SCHEDULE APPLIES:

The entire territory served with gas as more fully described in the following Schedules or superseding issues thereof:

PSC No. 87 - All Areas

3. INCREASE IN PRICES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED:

The prices and charges for service under all service classifications, including the Minimum Charge, will be increased to reflect the aggregate percentage rate of the taxes imposed on the Company's gas revenues pursuant to Sections 186 and 186-a of the New York State Tax Law, Chapter 60, Article 9 and, where applicable, Section 20-b of the General City Law and Section 5-530 of the Village Law. The Company will impose and collect state and local sales taxes, if applicable, pursuant to Articles 28 and 29 of the New York State Tax Law.

The total of all prices and charges will be divided by the applicable Revenue Tax Surcharge (RTS) factor. Such statement will be duly filed with the PSC, apart from this Schedule, and will be readily accessible to the public. Whenever the legislature, city or village levies a new tax on the Company's gross revenues, repeals such tax, or changes the rate of such tax, the Company will incorporate those changes into its applicable RTS factors.

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