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..TXT: PSC NO: 87 GAS LEAF: 17
COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 4
INITIAL EFFECTIVE DATE: 04/01/99 SUPERSEDING REVISION: 3
STAMPS: Issued in compliance with commission order in case 93-G-0932 et al. da
Cancelled by 6 Rev. Leaf No. 17 Effective 12/01/2002
RECEIVED: 03/31/99 STATUS: Cancelled EFFECTIVE: 04/01/99

SERVICE CLASSIFICATION NO. 2 (CONT'D)**GENERAL SERVICE (CONT'D)****PRICE: (Per Month) (CONT'D)**

Fixed Price Option - Under this option, sales prices will be fixed at a price related to the duration of the term. The term related price will be based on the difference between the New York Mercantile Exchange Futures closing price on the fifteenth (15th) business day of the month prior to the effective date and the NYMEX base of \$0.155 per Therm. Customer elections of this option must be made no later than 12:00 PM on the fifteenth (15th) business day of the month prior to the effective date. The Fixed Price adjustments shall be effective on the first (1st) calendar day of each month, and shall be filed three (3) business days prior to the effective date. Customers electing the FPO are not permitted to change to the IPO or another service classification until expiration of their selected FPO term.

If the PSC orders the termination of the FPO provisions in a generic proceeding, the Company will immediately cease offering any new FPOs and all existing FPOs will terminate no later than one (1) year thereafter, regardless of the term of the FPO.

Customers in the Elmira and Combined Areas will receive a Rate Adjustment Credit of (\$.0050) per therm in accordance with Case No. 98-G-0845 for the period covering October 1, 1998 through September 30, 2001, to reflect Texas Eastern capacity release credits.

Customers in all areas will also be charged the applicable Transition Surcharge (TS) pursuant to General Information Section 18 of PSC No. 90 Gas, or superseding issues thereof, for all therm use.

MINIMUM CHARGE:

The Minimum Charge for all areas except the Binghamton Area is the charge for the first 3 therms or less, per meter. The Minimum Charge for the Binghamton Area is the charge for the first 2 therms or less, per meter.

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.

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

(Name of Officer, Title, Address)