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PSC NO: 88 GAS
NEW YORK STATE ELECTRIC & GAS CORPORATION
INITIAL EFFECTIVE DATE: 07/01/16
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SERVICE CLASSIFICATION NO. 1 (CONT'D)**FIRM TRANSPORTATION SERVICE (CONT'D)****INCREASES IN PRICES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED:**

The prices and charges under this service classification, including the Minimum Charge, shall be increased by a surcharge pursuant to General Information Rule 3 of this Schedule to reflect the tax rates applicable within the municipality where the Customer takes service.

RATE ADJUSTMENT MECHANISM ("RAM"):

The RAM shall be applied per term to all terms delivered under this Service Classification (as explained in this Schedule, General Information Rule 37). See RAM Statement.

TERMS OF PAYMENT:

Billing and payment for service provided under this service classification shall be in accordance with General Information Section 4.N. of this Schedule.

TERM:

Term shall be defined within the Transportation Service Agreement and mutually agreed upon by the Customer and the Company.

GENERAL TERMS AND CONDITIONS OF SERVICE:

To the extent not inconsistent with the provisions of this service classification, service hereunder is provided in accordance with the General Information Sections of this Schedule.

SPECIAL PROVISIONS:

- A. The quantity to be billed under this service classification is the quantity delivered to the Company less the allowance for losses in accordance with General Information Section 4.E. of this Schedule.
- B. Daily imbalances, underruns and overruns under this service classification shall be calculated and reconciled as set forth in General Information Rule 4 of this Schedule.
- C. Firm Transportation Service shall be provided on a "first call" basis for the available capacity in the Company's distribution system. If other applicants desire Firm Transportation Service and there is only available capacity for the "first" applicant, the "first" applicant can reserve the required available capacity for a period of three months. If deliveries are not commenced within the three-month period, the available capacity shall be released for the use of the other applicants.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York