Received: 12/28/2006 Status: CANCELLED Effective Date: 01/01/2007

PSC No: 88 - Gas Leaf No. 53.1

NEW YORK STATE ELECTRIC & GAS CORPORATION Revision: 8

Initial Effective Date: 1/01/07 Superseding Revision: 7

SERVICE CLASSIFICATION NO. 1 (CONT'D)

FIRM TRANSPORTATION SERVICE (CONT'D)

PRICE: (Per Month) (CONT'D)

D. Research and Development (R&D) Adjustment:

The charges set forth herein will be subject to a R&D Adjustment per Therm of gas delivered as explained in Section 18 of PSC No. 90 Gas, or superseding issues thereof.

E. Transition Surcharge (TS):

Customers in all areas will also be charged the applicable Transition Surcharge (TS) pursuant to General Information Section 16 of PSC No. 90 Gas, or superseding issues thereof, for all Therm use.

F. Weather Normalization Adjustment (WNA):

Customers in all areas will also be charged the applicable Weather Normalization Adjustment (WNA) pursuant to General Information Section 17 of PSC No. 90 Gas, or superseding issues thereof, for all Therm use.

MINIMUM CHARGE:

Shall be the Transportation Administration Charge. The Transportation Administration Charge includes \$0.70 of bill issuance costs.

Issued in compliance with Order in Case 06-G-1386 dated December 22, 2006

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