PSC No: 88 - Gas NEW YORK STATE ELECTRIC & GAS CORPORATION Initial Effective Date: 1/01/07 Leaf No. 63 Revision: 7 Superseding Revision: 6

SERVICE CLASSIFICATION NO. 3 (CONT'D)

INCREMENTAL INTERRUPTIBLE TRANSPORTATION SERVICE (CONT'D)

PRICE: (Per Month) (Cont'd)

A Customer that fails to meet the requirements set forth under Special Provisions - Distillate Fuel Customers and Special Provisions - Human Needs Customers of this service classification shall be assessed a premium equal to the greater of one hundred thirty percent (130%) of the applicable gas equivalent alternate fuel price or one hundred thirty percent (130%) of the otherwise applicable sales price less an estimate of the Customer's natural gas price, as determined by the Company, per therm. The premium will be applied for the billing period during which noncompliance becomes known and for each subsequent billing period until the Customer has provided sufficient evidence, as determined by the Company, that it has fully complied with the requirements set forth under Special Provisions - Distillate Fuel Customers and Special Provisions - Human Needs Customers.

MINIMUM CHARGE:

\$125.00 per month, plus the applicable revenue taxes. The minimum charge includes \$0.70 of bill issuance costs.

INCREASES 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.

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.

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