

**PSC NO: 88 GAS****COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION****INITIAL EFFECTIVE DATE: 05/19/06**

Issued in compliance with order in Case 98-G-0122 dated Nov. 23, 2005

**LEAF: 109.1****REVISION: 1****SUPERSEDING REVISION: 0****SERVICE CLASSIFICATION NO. 15 (CONT'D)****BASIC ELECTRIC GENERATION TRANSPORTATION SERVICE****PRICE: (CONT'D)**

Monthly Total Value Added Charge: The Base Year Spark Spread is subtracted from the Spark Spread for each hour of the Test Year the unit actually ran. Five percent (5%) of this difference is multiplied by the Company estimate of what it will deliver to the customer during the Effective Period. If such monthly value is less than or equal to zero, the Monthly Total Value Added Charge for that month will equal zero. If such monthly value is greater than zero, such monthly value is the Monthly Total Value Added Charge for that month.

Annual Total Value Added Charge: The addition of the Monthly Total Value Added Charges for the twelve months in the Test Year.

Reconciliation Charge: The difference between the total of the Value Added Charges actually collected from the Customer during the effective period and the total of the Value Added Charges that would have been collected had the Value Added Charge been calculated based on the actual Spark Spreads during the effective period either positive or negative.

- D. A Customer that fails to meet the requirements set forth under Special Provisions - Distillate Fuel 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.

**MINIMUM ANNUAL QUANTITY:**

Customer will be required to transport and pay for, under this service classification, a minimum annual quantity of no less than fifty percent (50%) of the generators' maximum annual quantity, as specified in the Transportation Service Agreement.

**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.

Issued by: James A. Lahtinen, Vice President – Rates & Regulatory Economics, Binghamton, NY