

PSC No: 88 - Gas
NEW YORK STATE ELECTRIC & GAS CORPORATION
Initial Effective Date: 11/18/04

Leaf No. 51
Revision: 7
Superseding Revision: 6

SERVICE CLASSIFICATION NO. 1

FIRM TRANSPORTATION SERVICE

APPLICABLE TO THE USE OF SERVICE FOR:

Firm Transportation Service to existing firm sales service customers or new firm customers with minimum quantities eligible for transportation of 25,000 Dth per year, provided the Company has facilities available and adequate for the Customer's load.

CHARACTER OF SERVICE:

Transportation of Customer-owned, pipeline quality, natural gas will be on a firm basis from a receipt point within the Company's service territory to which this Schedule applies to the facilities at the Customer's existing delivery point, as specified in the Customer's Transportation Service Agreement. The Company will control the dispatch of such gas, and dispatch will be provided as requested by the Customer, in accordance with General Information Section 4.C. of this Schedule, provided, however, that acceptance of the Customer's application will be conditioned upon the availability of the Company's system capacity.

PRICE: (Per Month)

For firm retail customers who elect to replace their retail service with transportation service, the monthly price will be the Transportation Administration Charge, which includes the first 500 Therms of usage, plus the transportation price applicable to the appropriate areas served under the sales schedules as stated below:

A. For Customers Who Do Not Wish to Reserve Their "Sales Customer" Status:

| Owego Area | Effective Date | | | | |
|--|----------------|----------|----------|----------|----------|
| | 10/01/04 | 10/01/05 | 10/01/06 | 10/01/07 | 10/01/08 |
| Transportation Administration Charge First 500 Therms or less | \$423.44 | \$467.58 | \$511.72 | \$555.86 | \$600.00 |
| Usage Charge (per Therm) | | | | | |
| Next 14,500 Therms | \$0.0716 | \$0.0850 | \$0.0985 | \$0.1119 | \$0.1254 |
| Next 35,000 Therms | \$0.0588 | \$0.0594 | \$0.0601 | \$0.0607 | \$0.0614 |
| Over 50,000 Therms | \$0.0322 | \$0.0380 | \$0.0439 | \$0.0497 | \$0.0556 |

| Goshen Area | Effective Date | | | | |
|--|----------------|----------|----------|----------|----------|
| | 10/01/04 | 10/01/05 | 10/01/06 | 10/01/07 | 10/01/08 |
| Transportation Administration Charge First 500 Therms or less | \$600.00 | \$600.00 | \$600.00 | \$600.00 | \$600.00 |
| Usage Charge (per Therm) | | | | | |
| Next 14,500 Therms | \$0.1254 | \$0.1254 | \$0.1254 | \$0.1254 | \$0.1254 |
| Next 35,000 Therms | \$0.0614 | \$0.0614 | \$0.0614 | \$0.0614 | \$0.0614 |
| Over 50,000 Therms | \$0.0556 | \$0.0556 | \$0.0556 | \$0.0556 | \$0.0556 |

Issued in compliance with Order in Case 01-G-1668 dated September 23, 2004

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