PSC No: 88 - Gas New York State Electric and Gas Corporation Initial Effective Date: January 1, 2004 Leaf No. 117 Revision: 0 Superseding Revision:

SERVICE CLASSIFICATION NO. 17

DAILY METERED TRANSPORTATION DAILY BALANCING SERVICE (CONT'D)

MONTHLY CHARGE: (Per Month)

Shall be the product of the Demand Charge and the MDPQ of the Pool for each Pooling Area.

INCREASE IN PRICES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED:

The prices and charges under this service classification 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.

BILLING QUANTITY:

The monthly billing quantity under this service classification shall be the Pool's MDPQ, for the applicable month.

GENERAL TERMS AND CONDITIONS OF SERVICE:

To the extent not inconsistent with the provisions of this service classification, service provided hereunder shall be in accordance with the general terms and conditions of service set forth in the General Information Section of this Schedule.

SPECIAL PROVISIONS:

- A. The MDPQ of Pool Operators serving customers that take sales reservation service will be reduced by the sum of the MDTQ of each customer in the Pool that has elected sales reservation service. This reduction is only applicable for purposes of determining the Monthly Charge.
- B. The MDPQ used in determining the Monthly Charge will be adjusted to account for Customers that reduce their actual natural gas demand during the applicable month to a level that is at least 80% or more below their current MDTQ.
- C. Notwithstanding any other provision of this service classification, if the Customer or Pool Operator violates any provision of this service classification or General Information Sections of this Schedule, the Company shall have the absolute right to terminate immediately Transportation Daily Balancing Service to the Customer or Pool Operator.
- D. Customers requiring transportation of gas from the Company's receipt point(s) to the Customers' facilities at a delivery point within the Company's service territory, must execute a Transportation Service Agreement with the Company for such service in accordance with the provisions of this Schedule and the applicable transportation service classification.

Issued in compliance with order in Case 01-G-1668 dated September 23, 2003

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