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COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 4

INITIAL EFFECTIVE DATE: 02/01/03 SUPERSEDING REVISION: 3

STAMPS: Issued in compliance with Commission order in Case 01-G-1668 dated 11/

RECEIVED: 01/30/03 STATUS: Effective EFFECTIVE: 02/01/03

SERVICE CLASSIFICATION NO. 3

INCREMENTAL INTERRUPTIBLE TRANSPORTATION SERVICE

APPLICABLE TO THE USE OF SERVICE FOR:

Incremental Interruptible Transportation Service to new or existing firm and interruptible sales service customers with minimum eligible incremental quantities for transportation of 500,000 Dth per year under this service classification. Service under this service classification will be provided only when: (1) the Company has facilities available and adequate for the Customer's load; and (2) when the Customer provides documentation acceptable to the Company that absent this price, natural gas would not otherwise be sold or transported by the Company. Eligible incremental quantities are customer requirements in excess of established twelve-month based period consumption. The established base period consumption will be the sum of the sales and other transportation quantities received by the Customer during a one (1) year historic period, actual or adjusted to an annual period as determined by the Company.

CHARACTER OF SERVICE:

Transportation of Customer-owned, pipeline quality, natural gas will be on an interruptible 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)

All Therms \$0.0250 per Therm

If the provision of transportation service to the Customer requires the Company to engage the services of others, an amount reflecting the costs incurred by the Company will be added to this price.

A. Pipeline Supplier Adjustment (PSA):

The charges set forth herein will be subject to a PSA per Therm of gas delivered as explained in Section 19 of PSC No. 90 Gas, or superseding issues thereof.

Issued By: <u>James A. Lahtinen, Vice President-Rates & Regulatory Economics, Binghamton, NY</u>