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COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 0

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STAMPS:

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SERVICE CLASSIFICATION NO. 9

TRANSPORTATION BALANCING SERVICE

APPLICABLE TO THE USE OF SERVICE FOR:

Natural Gas Transportation Balancing Service to customers who have executed a Transportation Service Agreement pursuant to this Schedule, provided the Company has adequate facilities and capacity available for the requested Transportation Balancing Service without jeopardizing the Company's ability to meet the expected demand of its firm customers.

CHARACTER OF SERVICE:

Balancing of Customer-owned, pipeline-quality, natural gas deliveries will be on an interruptible basis from a receipt point within the Company's service territory to which this Schedule applies to a delivery point, as specified in the 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 5.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. Service hereunder provides for the following:

- A. The Company's receipt of Customer-owned gas on any day in excess of the quantity of gas delivered by the Company to the Customer on that day, up to a specified Maximum Daily Transportation Quantity (MDTQ).
- B. The Company's delivery of gas to the Customer on any day in excess of the quantity of Customer-owned gas received by the Company on that day up to the Customer's MDTQ.
- C. Monthly imbalances shall be balanced in accordance with the terms set forth in General Information Section 4.B. of this Schedule.

PRICE: (Per Month)

The Customer shall pay a monthly demand charge for balancing service during the term of service equal to:

A. the one hundred percent (100%) load factor derivation of the Company's average monthly transportation and storage demand charges, annualized injection/withdrawal charges and carrying costs on the Company's average storage balance, used to provide service hereunder.

Issued By: Michael I. German, Senior Vice President, Binghamton, New York
(Name of Officer, Title, Address)