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COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 1
INITIAL EFFECTIVE DATE: 04/19/98 SUPERSEDING REVISION: 0
STAMPS:
EFFECTIVE under authority of PSC 98-G-0295 made 04/09/98
RECEIVED: 03/19/98 STATUS: Effective EFFECTIVE: 04/13/98

SERVICE CLASSIFICATION NO. 4 (CONT'D)**NATURAL GAS MOTOR VEHICLES (CONT'D)****PRICE: (Per Month) (CONT'D)****B. For Category 3 Customers: (Cont'd)**

3. Cost of compression; plus
4. Applicable taxes.

In addition to the above costs, the Category 3 prices for customers using Company-owned fuel filling facilities will recover a portion of the cost of Company-owned fuel filling facilities.

C. For Category 4 customers:

The Company will determine the applicable category and price for each customer under this service classification and category. Such prices will not be less than:

1. The Company's weighted average cost of gas delivered to the Company's city gate for the current month, adjusted for system gas loss; plus
2. \$.01 per Therm transportation charge; plus
3. Cost of compression; plus
4. Applicable taxes.

For Category 4 customers, the price shall not be greater than eighty-five percent (85%) of the Company's retail price per gallon for regular unleaded gasoline (based on the conversion rate of 1 Therm/1 Ccf = 0.833 gallons). When abnormal market conditions exist such that the floor price exceeds the ceiling price, the floor price shall prevail.

The Company's retail price of gasoline will be set monthly using current New York Regional Gasoline Prices.

Issued By: George E. Bonner, Vice President - Gas Operations & Marketing, Binghamton, NY
(Name of Officer, Title, Address)