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..TXT: PSC NO: 88 GAS LEAF: 82
COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 1
INITIAL EFFECTIVE DATE: 04/01/99 SUPERSEDING REVISION: 0
STAMPS:
RECEIVED: 01/29/99 STATUS: Effective EFFECTIVE: 04/01/99

SERVICE CLASSIFICATION NO. 8 (CONT'D)**FIRM OR RECALLABLE CAPACITY ASSIGNMENT (CONT'D)****Price:**

- A. First Assignees billed the two-part price will be billed the Maximum Daily Quantity times the agreed upon demand charge price as set forth on Attachment No. 1 to the Capacity Assignment Application Form. In addition, the First Assignees will be billed the Transportation Quantity times the as-billed firm transportation commodity price charged by the pipeline.
- B. First Assignees billed the one-part blended price will be billed the Transportation Quantity times the price set forth on Attachment No. 1 of the Service Classification No. 8 Upstream Capacity Assignment Application Form which shall reflect the as-billed firm transportation commodity price plus an allocation of the pipeline's firm transportation demand charge calculated on a per unit basis at the pipeline's average system load factor.
- C. First Assignee shall be liable for any additional costs or charges such as imbalance penalties, fees, annual charge adjustments, take-or-pay, or any other charges billed by the pipeline to Assignor in connection with such services.
- D. In the event that the pipeline's FERC gas tariff includes both a daily demand component and an annual demand component, the demand price charged by Assignor shall be the pipeline's daily demand price plus the annual demand price multiplied by three hundred sixty-five (365) and divided by twelve (12). The sum shall be applied to the Maximum Daily Quantity to arrive at the Monthly Demand Charge maximum.

TERMS OF PAYMENT:

Billing and payment for service provided under this service classification shall be in accordance with General Information Section 4.N. of this Schedule.

TERM:

Term shall be defined within the Transportation Service Agreement and mutually agreed upon by the Customer and the Company.

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