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COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 2

INITIAL EFFECTIVE DATE: 11/01/97 SUPERSEDING REVISION: 1

STAMPS:

Cancelled by 3 Rev. Leaf No. 71 Effective 01/01/1998

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SERVICE CLASSIFICATION NO. 5 (CONT'D)

SMALL FIRM TRANSPORTATION SERVICE (CONT'D)

SPECIAL PROVISIONS: (CONT'D)

- D. A Transportation Service Agreement shall be signed by both parties in the form set forth in General Information Section 13 of this Schedule.
- E. If a customer elects an Agreement without reservation of the "Sales Customer" status or Standby Sales Service, the Company is under no obligation to deliver gas to the Customer on any day in excess of the quantity of Customer-owned gas received by the Company on that day. Any such deliveries in excess of receipts by the Company of Customer-owned gas are subject to unauthorized overun penalties or interruption in accordance with General Information Sections 10 and 8 of this Schedule, respectively.
- F. Customers that heat any building, including apartment houses, prisons, dormitories, nursing homes, hospitals, hotels, and other buildings where persons may dwell on permanent basis, solely with natural gas delivered hereunder shall be considered "critical service" customers, and effective October 1, 1994, must elect either reservation of the "Sales Customer" status or Standby Sales Service for that heating portion of their load unless the Customer's agent can show proof to the Company's satisfaction that the Customer or the Customer's agent has adequate supplies to meet one hundred percent (100%) of all the Customer's needs. "Critical service" customers that install or have installed alternate fuel facilities shall not be required to elect reservation of the "Sales Customer" status or Standby Sales Service for that portion of their heating requirements which may be supplied by such facilities. However, the Company reserves the right to inspect the Customer's facilities in accordance with General Information Section 5.G. of this Schedule.
- G. Economic Development "Zone" Incentive (EDZI):

Upon application, qualification and thirty (30) days notice to the Company, an existing or prospective non-residential customer, located in an approved Economic Development Zone, who is eligible for service under this service classification will receive an Economic Development "Zone" Incentive, in the form of a reduction, as stated in Special Provision H below.

In order to qualify for the EDZI, a customer must present, upon application, the Company with the appropriate certification from the approved Economic Development Zone Administrator. A qualified customer will receive the EDZI for the duration of the "Zone" designation unless a customer's initial certification(s) becomes invalid.

Issued By: George E. Bonner, Vice President - Gas Operations & Marketing, Binghamton, NY