



Lori Cole
Manager- Regulatory & Tariffs

September 29, 2017

VIA ELECTRONIC SERVICE

Honorable Kathleen H. Burgess
Secretary to the Commission
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: Negotiated Transportation Gas Service Agreement Filed Pursuant to
Service Classification No. 7 of PSC No.88 Gas

Dear Secretary Burgess:

New York State Electric & Gas Corporation ("NYSEG") transmits for filing the enclosed Agreement in compliance with the requirements of the Public Service Commission of the State of New York ("Commission").

The Agreement is a negotiated gas transportation service agreement between NYSEG and the Customer. Except as incorporated by reference to Service Classification No. 7 of PSC No. 88 Gas or the rules and regulations of the Company's effective gas tariff, the Agreement reflects the prices, charges, terms and conditions under which NYSEG will provide service to the Customer.

NYSEG submits the pricing provisions contained in this Agreement are sensitive and confidential to the Customer and NYSEG. They represent critical information about the Customer's operating costs, which if made available for public inspection, could compromise the Customer's position relative to its' competitors.

Kathleen H. Burgess
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Page 2 of 2

Therefore, NYSEG requested in a separate letter to Ms. Jessica Vigers, Records Access Officer that the specific information contained in the Agreement be granted trade secret protection.

Respectfully submitted,

A handwritten signature in cursive script that reads "Lori A. Cole".

Lori A. Cole

Enclosure

NEGOTIATED TRANSPORTATION GAS SERVICE AGREEMENT

THIS AGREEMENT, made this _____, by and between **NEW YORK STATE ELECTRIC & GAS CORPORATION** (“NYSEG” or “Company”) a New York Corporation, having offices at 89 East Avenue, Rochester, New York, 14649, and _____, a New York Corporation, having offices for the transaction of business at _____.

WITNESSETH:

WHEREAS, Customer wishes to have access to available quantities of natural gas, and desires such quantities to be delivered, on a _____ basis pursuant to Company’s P.S.C. No: 88 - Gas Schedule for Gas Service Transportation (“PSC No. 88”), Service Class No. 7 Firm or Limited Firm Negotiated Transportation Service (“SC No. 7”), to all of Customer’s multiple buildings and facilities located at and within the vicinity of _____.

WHEREAS, the parties concede that an alternative to supply of the Customer’s requirements by the Company exists; and

WHEREAS, subject to the terms and conditions of this Agreement, Company agrees to provide _____ Transportation Service to Customer at a negotiated rate pursuant to SC No. 7; and

WHEREAS, Customer agrees to transport 100% of its natural gas requirements through NYSEG’s gas distribution system, hence agreeing not to bypass Company’s system and not to utilize alternative energy forms except as set forth in this Agreement for the duration of this Agreement for any portions of the Facilities.

NOW THEREFORE IN CONSIDERATION of the premises and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

A. Term of Agreement:

The “Term” of this Agreement shall commence on the later to occur of the first day of the subsequent month following thirty (30) days after this Agreement is executed and filed with the New York State Public Service Commission (“PSC”) or _____. However, if the PSC intervenes in the filing, then the Term of this Agreement shall commence on the date that is the first of the month following the date the PSC approves this Agreement without modification (the “Commencement Date”). The Agreement shall continue, unless earlier terminated pursuant to the terms of this Agreement, _____ (the “Expiration Date”). The “Contract Year” shall be defined as the one year periods starting on the Commencement Date for the first Contract Year or portion thereof and each _____ for each year thereafter until the Expiration Date. Service terms and conditions thereafter shall be negotiated in a separate Agreement or shall terminate after this Agreement expires or shall revert to standard terms and conditions in existence at that time for PSC No. 88, Service Classification No. 1 - Firm Transportation Service (“SC No. 1”), or any succeeding, supplemented or replacement tariff.

B. Quantities:

During the Term of this Agreement, the Company will, as specified in Exhibit A, make Transportation Service available to Customer on Company's system, and Customer shall furnish, or cause to be furnished to the Company natural gas for such transportation service. Customer will accept delivery from the Company the quantities Customer has tendered for transportation ((less fuel loss or unaccounted-for gas as set forth in applicable Company tariffs).

C. Rate:

For the Term of the Agreement Customer shall pay the Company for Transportation service provided hereunder for Contract Year annual quantities up to dekatherms ("Dth") at a negotiated transportation rate of:

For the Term of this Agreement, for annual quantities greater than _____ Dth, but less than _____ Dth, Customer agrees to pay the Company for Limited Firm Transportation Service provided at the rate of _____ /Dth. Any annual transportation of quantities of gas greater than _____ Dth, shall be accomplished only by the successful negotiation of a new arrangement to be formalized in a writing signed by both Parties.

Customer's rate will also be adjusted by any surcharge properly imposed pursuant to PSC No. 88 - General Information Section 3 – Increase in Rates and Charges Applicable Where Service is Supplied to reflect Customer's whole, or equitable, share (as reasonably determined by Company in accordance with all applicable laws, regulations and tariffs) of (a) any tax, fee or surcharge (including any tax, fee or surcharge based upon gross earnings, gross receipts, gross income, delivered quantity of natural gas, add-ons or pass-throughs, or other charges required pursuant to Company's current or then applicable tariffs) imposed or authorized to reflect any taxes levied by the municipality or other political subdivision in which the Facility is located, and (b) any other tax, fee or surcharge (including any tax, fee or surcharge based upon gross earnings, gross receipts, gross income, delivered quantity of natural gas) imposed or authorized by any regulatory or governmental entity, including the State of New York. During the Term of this Agreement, Customer will transport 100% of its natural gas requirements through Company's gas distribution system, thereby agreeing not to bypass Company's system and Customer further agrees not to use alternative energy forms for the

Term of this Agreement for any of those portions of the Facilities that are served by natural gas service except in the case of any interruption or curtailment of service by Company, or testing of Customer's existing backup propane system.

To the extent that the Customer's load growth exceeds Company's system design capabilities and requiring a capital investment by the Company, terms associated with Company serving the additional load shall be negotiated in a separate agreement.

D. Conditions Precedent:

Company's duties hereunder are specifically contingent upon receipt and continuance of all necessary regulatory or other approvals, and upon the receipt of such contract of the Customer for gas transportation and supply reasonable satisfactory to Company as may be necessary to serve Customer, and upon the receipt and continuance of any additional authorization as they relate to transportation or necessary distribution franchises or construction or other permits or authorizations from the appropriate towns or other governmental agency having jurisdiction. All deliveries, as specified in Exhibit A, are subject to physical limitations of the Company's delivery system as determined by the Company.

E. Minimum Annual Charge:

Customer shall be required to transport and pay for all quantities transported hereunder at the rate set forth herein, and if Customer fails to transport the "Minimum Annual Quantity" defined as _____ Dths in any Contract Year during the Term of this Agreement, Customer, in addition to the amount to be paid for transportation service actually rendered, shall pay the applicable transportation rate per Dth, as specified in "Section C – Rate" of this Agreement, multiplied by any quantity transported less than the Minimum Annual Quantity, plus any applicable taxes, add-ons or surcharges authorized in Section C. In the event that the Commencement Date for the first Contract Year described in Section A of this Agreement occurs after _____, the Minimum Annual Quantity shall be ratably adjusted. Customer's use shall be reviewed at the end of each Contract Year of the Agreement and in any situation where Customer fails to transport the Minimum Annual Quantity, any such shortages will be assessed against the Customer at the per Dth rate as specified above in Section C for the corresponding Contract Year.

F. Interruptions:

All service provided under this Agreement will be subject to interruption, at the Company's sole discretion, in accordance with PSC No. 88, General Information Section 8 – Interruption and Curtailment. If Customer fails to comply with a notification to interrupt, Customer shall pay a charge, in addition to all other prices and charges payable by Customer, or _____ per dth for all quantities consumed in violation of the notification, as determined by the Company.

G. Billing and Payment:

Billing and Payment for services rendered pursuant to this Agreement and SC No. 7 shall be made hereunder in accordance with PSC No. 88, General Information Section 4 - Daily Metered Transportation Requirements ("GI Section 4"), Provision N. – Billing and

Payment, as same may be amended from time to time. Service under SC No. 7 shall be separately metered and billed from any other services provided pursuant to any other service classification.

H. Points of Receipt and Delivery:

This Agreement covers only the receipt points and delivery points designated on Exhibit "A" to this Agreement.

I. Imbalances:

Daily imbalances, underruns and overruns and corresponding cash-outs, penalties and/or fees associated with the Transportation Service rendered hereunder will be calculated and reconciled as set forth in PSC No. 88, GI Section 4, as may be amended, supplemented or superseded from time to time, or otherwise as set forth herein.

J. Nomination Procedures:

The nomination procedures for Transportation Services provided hereunder shall be as set forth in PSC No. 88, GI Section 4, Provision C - Nomination and Scheduling, as same may be amended, supplemented or superseded from time to time, or otherwise as set forth herein.

K. Gas Quality, Heat Content, and Pressure:

Gas Quality, Heat Content and Pressure of the Gas Customer delivers to Company at the Delivery Point set forth in Exhibit A shall be as set forth in PSC No. 88, General Information, Section 10 – Quality of Customer-Owned Gas and Section 11 - Heat Content and Pressure, as same may be amended or superseded from time to time, or otherwise as set forth herein.

L. Regulatory Approval and Conditions Precedent:

Per regulatory requirement, this signed Agreement will be filed with the PSC at least thirty (30) days before becoming effective for the service provided pursuant to SC No. 7.

M. Notices:

All notices, invoices and other correspondence sent pursuant to this Agreement shall be addressed to the following parties:

Company: New York State Electric & Gas Corporation
18 Link Drive, Kirkwood Industrial Park
PO Box 5224
Binghamton, NY 13902-5224
Attention: Gas Transportation & Billing

with a copy to: New York State Electric & Gas Corporation
89 East Avenue
Rochester, NY 14649
Attn: Jeffrey A. Rosenbloom
Deputy General Counsel

Customer:

N. Incorporation of Tariff and Tariff Revisions:

To the extent not inconsistent with the explicit terms of this Agreement, the Company's applicable Tariffs, as revised or superseded from time to time, are applicable to and are made part of this Agreement by reference and Company's duties hereunder are specifically contingent upon the receipt and continuance of all regulatory or other governmental approvals as may be required to enable Company to provide service to Customer.

The Company shall have the right to propose, file and make effective with the PSC or any other governmental body having jurisdiction, revisions to any applicable service classification for the purpose of changing the provisions thereof effective as to the Customer, except that the Company shall have no right to alter the type and extent of service, the rates or charges for services rendered hereunder, except such alterations to the rates or charges that are specifically permitted pursuant to the other provisions of this Agreement. The filing of such applicable changes and revisions to any applicable service classification shall be without prejudice to the right of the Customer to contest or oppose the effectiveness of such filing. In case of conflict between provisions of this Agreement and provisions of the tariff, the provisions of this Agreement shall prevail.

O. Interpretation of Agreement:

The interpretation, construction, and performance of this Agreement shall be in accordance with the laws of the State of New York, without recourse to the law regarding the conflicts of law, and the Parties to this Agreement hereby submit and consent to the jurisdiction of the courts of the State of New York (including, without limitation, the federal courts located the State of New York) in any action brought to enforce (or otherwise relating to) this Agreement. It is specifically agreed that no interpretive presumption shall operate in favor of or against either Party hereto as a result of drafting this Agreement. The parties also specifically agree that this Agreement was and shall be deemed to have been jointly drafted by the parties hereto and the parties agree that that there shall be no interpretative presumption against either party by virtue of authorship of this Agreement.

P. Assignment:

This Agreement shall be binding upon the successors and assigns of the Company and Customer. No assignment of this Agreement shall be valid without the prior written consent of the Parties thereto, which shall not be withheld unreasonably, except that Company shall be entitled to assign this Agreement to a wholly owned subsidiary or to an entity purchasing substantially all of the Assets Comprising the Company's Natural Gas Distribution Business.

Q. Severability:

The invalidity or illegality of any one or more of the covenants, phrases, clauses, sentences, or paragraphs of this Agreement shall not affect the validity of the Agreement as a whole, and in the case of such invalidity, there shall be substituted a provision or separate contract of similar import reflecting the original intent of the parties hereto the extent permissible under the law.

R. Confidentiality:

Customer agrees that it shall keep the rates, terms and conditions of this Agreement confidential and shall not disclose the rates, terms and conditions to any third party, unless the rates, terms and conditions shall, other than an act or omission of Customer, become a matter of public knowledge or if Customer is required by law or regulatory requirement to disclose the information..

S. Signature in Counterpart:

This Agreement may be signed in counterpart and either Party may accept an electronic or facsimile signature as evidence of an original having been signed and the Parties agree to waive any and all defenses under the Statute of Frauds in agreeing to transmit and/or accept electronic or facsimile signatures as originals; provided, however, in the event the document is separately signed, the Agreement will not be fully effective until each Party shall have separately signed the Agreement.

T. Entire Agreement:

This Agreement and Company's applicable tariffs embody the entire understanding of the parties with respect to the subject matter entailed herein and supersede all previous communications, representations or understandings either written or oral between the Parties relating to the subject matter thereof.

U. Force Majeure:

Neither Party shall be liable in damages or have the right to terminate this Agreement for any delay or default in performing hereunder if such a delay or default is caused by conditions beyond its control including, but not limited to Acts of God, Government restrictions (including the denial or cancellation of any export or other necessary license), wars, insurrections and/or any other cause beyond the reasonable control of the party whose performance is affected.

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IN WITNESS WHEREOF, the Parties have hereunto executed this Agreement on the day and year first above written.

NEW YORK STATE ELECTRIC & GAS CORPORATION

By: _____

Name: Carl A. Taylor

Title: President, and Chief Executive Officer

Date: _____

By: _____

Name: Joseph J. Syta

Title: Vice President, Controller, and Treasurer (Control)

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Exhibit A