



New York State Electric & Gas Corporation
Corporate Drive — Kirkwood Industrial Park
P.O. Box 5224, Binghamton, New York 13902-5224

GAS POOLING AGREEMENT

THIS AGREEMENT is made this _____ day of _____, 200__, by and between NEW YORK STATE ELECTRIC & GAS CORPORATION, a New York Corporation having its principal offices at Corporate Drive-Kirkwood Industrial Park, P.O. Box 5224, Binghamton, New York 13902-5224 (hereinafter referred to as "NYSEG"), and _____ having its principal offices at _____ (hereinafter referred to as "Pool Operator").

WHEREAS, Pool Operator is willing to assume the responsibility for delivering sufficient gas to meet the full gas requirements of its pooled customers; and

WHEREAS, NYSEG is willing to re-deliver the gas Pool Operator delivers to its city gates to the pooled customers; and

WHEREAS, Pool Operator desires to operate a gas pool(s); and

WHEREAS, NYSEG is willing to permit the pooling of gas under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and intending to be legally bound, the parties agree as follows:

ARTICLE I **Definitions**

For the purpose of this Agreement, the following definitions shall apply:

Customer – A gas consumer on NYSEG's distribution system who receives transportation service from NYSEG; procures gas supply from the Pool Operator pursuant to the operation of the Pool and has assigned nomination and balancing rights and obligations to the Pool Operator.

Daily Balancing Pool – A Pool comprised of customers who have chosen to balance deliveries to NYSEG to the consumption of Customers on a daily basis pursuant NYSEG's Tariff.

Imbalance Trading – The transfer of gas delivered to NYSEG from one Pool Operator to another Pool Operator.

Maximum Daily Pooling Quantity (MDPQ) – MDPQ shall be the aggregate of the contractual MDTQ's of all Customers in a Pool.

Monthly Balancing Pool – A Pool comprised of customers who have chosen to balance deliveries to NYSEG to the consumption of Customers on a monthly basis pursuant NYSEG's Tariff.

Pool - Pool(s) of aggregated deliveries of natural gas for each Pooling Area which Pool Operator establishes under this Agreement. The make-up of each Pool and Pooling Area shall be subject to the operational limitations of NYSEG's system. A Pool may not include both daily and monthly balancing customers. Pool Operators may have one monthly and one daily balancing Pool in each Pooling Area.

Pool Operator - An individual or entity responsible for causing the natural gas supplies to be delivered to NYSEG on behalf of customers necessary to satisfy the full requirements of the Pool. The Pool Operator is responsible for providing nominations in accordance with NYSEG's nomination procedures, and is responsible for any imbalances or other fees, cash-out costs or other similar charges or penalties which might ensue when Pool deliveries are not matched by Pool consumption.

Pooling - A service provided by NYSEG whereby the Pool Operator may aggregate natural gas supplies delivered or caused to be delivered to NYSEG's distribution systems by such Pool Operator to satisfy the full requirements of two or more daily metered transportation customers of NYSEG which daily metered customers have assigned their right and duties to balance under NYSEG's Tariff to said Pool Operator.

Pooling Area - An area defined as a NYSEG operational area served, generally, by a single interstate pipeline. Pooling areas shall be defined, designated, and/or modified on a prospective basis, in NYSEG's reasonable discretion.

ARTICLE II

Term

1. The term of this Agreement shall be for one year unless terminated earlier pursuant to the terms of this Agreement and shall commence on _____, 200__. The Agreement shall continue from month to month thereafter unless terminated by either party by at least thirty (30) days prior written notice.
2. NYSEG may terminate this Agreement upon delivery of a written notice of termination to Pool Operator in the event Pool Operator (1) fails to pay the full amount of any bill for services tendered by NYSEG when that amount is due; (2) has violated the terms of this Agreement, or (3) has violated the terms of NYSEG's Tariff. In the event of (2) or (3), the Pool Operator shall have been given a reasonable opportunity to cure any such violation before termination occurs; *provided, however*, repeated violation of the terms of this Agreement by the Pool Operator may lead to termination by NYSEG with notice.

ARTICLE III
Scope of Pooling Services

1. Subject to the terms and conditions herein set forth, NYSEG authorizes Pool Operator to aggregate deliveries of natural gas supplies and the balancing rights assigned to Pool Operator such that a Pool Operator shall make an aggregate nomination to NYSEG for all Customers in a Pool, which aggregate nomination shall be compared against the aggregate consumption and aggregate deliveries on behalf of the Customers in that pool for balancing purposes.
2. Pool Operator shall satisfy its Customers' full requirements for natural gas except as satisfied by other ancillary services; i.e., NYSEG's standby service.
3. The Pool Operator may operate a Daily Balancing and a Monthly Balancing Pool for each Pooling Area.
4. Gas deemed available for delivery from the Daily or Monthly Balancing Pool shall consist of actual deliveries confirmed for the Pool's account. In no event shall Pool Operator, except when eliminating a prior imbalance pursuant to NYSEG's Tariff, intentionally create any imbalance.

ARTICLE IV
Obligations of Pool Operator

1. Prior to the commencement of this Agreement, Pool Operator shall supply NYSEG with a list of the Pool Operator's Customers, the Pooling Area for each Customer and whether the Customer is included in the Daily or Monthly Balancing Pool. As the Pool Operator adds or deletes Customers during the term of this Agreement, Pool Operator shall provide said changes and **information to NYSEG** consistent with Article VI herein.
2. Pool Operator must provide NYSEG a copy of Customer's assignment of balancing rights no later than the time that such Customer first appears on the *Pool Operator's Customer list*.
3. Pool Operator shall make nominations pursuant to NYSEG's then current nomination procedures. Said nominations shall no be in excess of the Pool's MDPQ.
4. Pool Operator shall comply with NYSEG's financial creditworthiness requirements prior to beginning operations.
5. Pool Operator shall pay any fees or pooling charges, all applicable cash-out, imbalance, trading or other similar charges or penalties and any fees or pooling charges when due and payable.

6. Pooling Operator understands and agrees that it shall be subject to and agrees to comply with the terms and conditions of any Action Notice, Alert Notice or Operational Flow order that NYSEG may issue from time-to-time.

ARTICLE V

Obligations of NYSEG

1. NYSEG shall re-deliver gas delivered to it on behalf of the Pool Operator.
2. NYSEG shall make Customer consumption data available to Pool Operator in a timely manner and shall be obligated to use reasonable efforts to provide accurate data; *provided, however*, NYSEG shall not be liable to Pool Operator for any costs or penalties Pool Operator incurs from any third party as a result of inaccurate data and; *provided further*, NYSEG shall not be responsible for inaccurate data caused by Pool Operator actions or inactions or which are caused by customer telephone line problems which shall be the responsibility of Pool Operator.
3. NYSEG shall permit Imbalance Trading to occur on a monthly basis and shall charge Pool Operators a transaction fee for each such trade as specified in its Tariff.

ARTICLE VI

Pool Operation

1. Each customer must have in effect a Transportation Service Agreement with NYSEG and an agreement with the Pool Operator designating Pool Operator as its agent.
2. A Customer may only be included in the Pooling Area applicable to the Customer's Transportation Service Agreement served by the Pool Operator.
3. Service to a new Pool participant shall commence only as of the first of a month.
4. Whenever a Customer withdraws from a Pool or a Pool Operator desires to discontinue service to a Customer, it is the responsibility of the Pool Operator to notify NYSEG immediately. Customers can drop out of a Pool only as of the end of a month unless this requirement is waived by NYSEG for unusual circumstances.

ARTICLE VII
Billing and Payment

1. NYSEG shall issue to Pool Operator no later than the 10th business day after Imbalance Trading has concluded of the succeeding month an invoice summarizing charges and/or fees. All of the supporting information will be posted to NYSEG's "SmarTRAC" electronic bulletin board. Payment shall be due within 10 business days.
2. NYSEG shall bill each Customer of the Pool for the applicable transportation and ancillary service(s) based upon that Customer's metered consumption in accordance with NYSEG's Tariff.
3. NYSEG shall post to its "SmarTRAC" electronic bulletin board a monthly balancing statement to the Pool Operator. This statement shall list the metered consumption of each Customer, the Pool nominations and a balancing statement used in calculating any imbalance or other similar charges to the Pool Operator for the billing month.

ARTICLE VIII
Miscellaneous

1. Service under this Agreement is conditioned upon the availability of capacity sufficient to provide such service without detriment or disadvantage to NYSEG's other customers who are dependent on NYSEG's general system supply.
2. No modification of the terms and provisions of this Agreement shall be or become effective except by the execution of written contracts or by modification of NYSEG's tariff.
3. No waiver by any party of any one or more defaults by any other party in the performance of other provisions of this Agreement shall operate or be construed as a waiver or any other default or defaults, whether of a like or of a different character.
4. Any company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of NYSEG or of Pool Operator, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessors in title under this Agreement. Without relieving itself of its obligations under this Agreement, any party may assign any of its rights hereunder to a company with which it is affiliated and which satisfies NYSEG's financial creditworthiness requirements, but otherwise, no assignment of this Agreement or any other rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the parties, which consent shall not be unreasonably withheld.

5. Any notice, request, demand, statement, or bill provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered or certified mail to the Post Office address of the parties hereto, as the case may be, as follows:

NYSEG: New York State Electric & Gas Corporation
Corporate Drive-Kirkwood Industrial Park
P.O. Box 5224
Binghamton, New York 13902-5224
Attention: Manager, Gas Transportation & Billing

Pool Operator:

6. This Agreement and the respective obligations of the parties hereunder are subject to valid laws, orders, rules, and regulations of duly constituted authorities having jurisdiction.
7. The interpretation and performance of the Agreement shall be in accordance with the laws of the State of New York, except that New York's Conflict of Law Rules shall not apply.
8. NYSEG's Tariff, as it may be amended or superseded from time-to-time, is incorporated herein by reference. In the event of any conflict or inconsistency between the provisions of this Agreement and NYSEG's Tariff, the Tariff shall control.
9. The terms not specifically defined herein shall have the meanings attributed to them in NYSEG's Tariff.
10. Continuing compliance with NYSEG's financial creditworthiness requirements shall be a continuing condition precedent to qualify as a Pool Operator. NYSEG may terminate this Agreement if Pool Operator fails to meet NYSEG's financial creditworthiness requirements. Pool Operator is obligated to provide such financial information as NYSEG may from time-to-time request within three business days of any such request.
11. This Agreement shall constitute the entire agreement between the Pool Operator and NYSEG covering the subject matter hereof, and there are not agreements, modifications, conditions, or understandings, written or oral, expressed or implied, pertaining to the subject matter hereof which are not contained herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed the day and year first above written.

NEW YORK STATE ELECTRIC & GAS CORPORATION

By: _____

(Company)

By: _____