

## GENERAL INFORMATION

### 21. SYSTEM ALERTS (SAs) AND OPERATIONAL FLOW ORDERS (OFOS): (CONT'D)

#### D. Charges and Penalties (Cont'd)

- (1) Pool Operator(s) and Aggregation Pool Operator(s) who fail to comply with the OFO may be subject to:  
(Cont'd)
  - (b) The Non-Performance provisions of General Information Rule 20.A. of this Schedule; and
  - (c) A penalty of \$2.50 per therm for all quantities determined to be in non-compliance with the OFO requirements.
- (2) During an OFO, General Information Rule 4.G. tolerances shall be adjusted in a manner such that all quantities between the OFO stated tolerance level and 15% shall be assessed the same cash out charges as are now applicable to quantities between 10% and 15% deviation. Quantities exceeding 15% deviation shall continue to be cashed out in accordance with General Information Rule 4.G.
  - (a) If, during an OFO, the ESCO has been notified by the Company of a curtailment, the customer(s) of the ESCO shall be curtailed. The ESCO must continue to deliver gas for the customer(s) to the city gate in accordance with Rule 8 of this Schedule.
  - (b) Daily imbalances shall be cashed-out as follows:
    - (i) Deficiency imbalances shall be cashed-out by calculating the higher of: (a) \$2.50 per therm, or (b) three times the Daily Cash-out Price to determine the charge for under deliveries. The market price during a curtailment is defined for respective pooling areas for under deliveries as defined in Rule 8.A.(6) of this Schedule.
    - (ii) Surplus imbalances shall be cashed-out by calculating the over delivery for the respective pooling area as defined in Rule 8.A.(6) of this Schedule plus pipeline demand charges at 100% load factor.
- (3) Pool Operator(s)/Aggregation Pool Operator(s) shall not be subject to the penalty provisions if their behavior provides relief for the operational problem for which the OFO was issued and the Company authorizes the behavior.

### 22. CREDITWORTHINESS:

#### A. Applicability: See UBP Addendum

The credit worthiness rules in accordance with the UBP Addendum shall apply.

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### 22. CREDITWORTHINESS: (CONT'D)

Reserved for Future Use

Issued in compliance with orders in Case 98-M-1343 dated November 21, 2003 and Cases 99-M-0631 and 03-M-0117 dated December 19, 2003.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York

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### 22. CREDITWORTHINESS: (CONT'D)

#### B. Financial Information

The Company may seek financial information from an ESCO/Pool Operator/Aggregation Pool Operator for the sole purpose of verifying financial information reported by Dunn & Bradstreet. The Company will have the option to require an ESCO/Pool Operator/Aggregation Pool Operator to post security to cover the ESCO/Pool Operator's/Aggregation Pool Operator's credit exposure in excess of the amount set forth in the UBP Addendum, Section 3.D.3.

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### **22. CREDITWORTHINESS: (CONT'D)**

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### 22. CREDITWORTHINESS: (CONT'D)

#### C. Credit Approval

- (1) A ESCO/Pool Operator/Aggregation Pool Operator /Direct Customer, upon written notification by the Company that it has failed to satisfy the credit requirements or, subsequently, while providing service to retail customers, it no longer satisfies the credit requirements, may still obtain or retain credit approval from the Company if it pays any outstanding balance due the Company for service rendered and elects to provide mutually agreeable security to the Company. An illustrative list of security instruments is provided in the Gas Transportation Operating Procedures Manual.

#### D. Security Prepayment

If the ESCO/Pool Operator/Aggregation Pool Operator /Direct Customer's credit standing ceases to meet the Company's credit requirements or if its financial exposure changes due to increased usage during the period of service, then the Company has the right to require security or prepayment. If the security is not tendered within five calendar days after the request, then the Company may initiate a process to discontinue the Pool Operator/Aggregation Pool Operator/Direct Customer.

#### E. Deposit

If the ESCO/Pool Operator/Aggregation Pool Operator /Direct Customer subsequently satisfies the credit appraisal without the need for some or all of the security requirement, the Company will return the appropriate portion of the Pool Operator/Aggregation Pool Operator Direct Customer's advance deposit with accumulated interest.

See Section 3 of the UBP Addendum in this Schedule. The terms ESCO, Pool Operator, and Aggregation Pool Operator are used synonymously for purposes of this section.

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