

PSC No: 88 - Gas

NEW YORK STATE ELECTRIC & GAS CORPORATION

Initial Effective Date: 04/01/14

Effective date POSTPONED to 06/01/14. See Supplement No. 34

Effective date POSTPONED to 07/01/14. See Supplement No. 35

Effective date POSTPONED to 08/01/14. See Supplement No. 36

Leaf No. 8.1

Revision: 6

Superseding Revision: 5

GENERAL INFORMATION

3. INCREASE IN RATES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED: (CON'T)

The applicable aggregate percentage rate and surcharge factor shall be set forth on a statement (Tax Surcharge Percentages Statement or "TSP Statement") filed with the Public Service Commission. Whenever the legislature, city, village or any other governmental authority levies a new tax on the Company, repeals such tax, or changes the rate of such tax, the Company will file a new statement.

Every such statement shall be filed not less than 15 business days before the date on which the statement is proposed to be effective, and no sooner than the date of the tax enactment to which the statement responds; shall become effective no sooner than the date when the tax enactment is filed with the Secretary of State; shall be applicable to bills subject to the tax enactment that are rendered on or after the effective date of the statements; and shall be canceled not more than five business days after the tax enactment either ceases to be effective or is modified so as to reduce the tax rate.

Such statement will be duly filed with the Public Service Commission, apart from this rate Schedule, and will be readily accessible to the public.

4. DAILY METERED TRANSPORTATION REQUIREMENTS:

A. Service

Commencing October 19, 1984 and continuing thereafter until further order of the PSC, new gas Customers will be connected and increased gas will be supplied to existing Customers in accordance with Section 10 of PSC No. 90 Gas, or superseding issues thereof.

Except as otherwise specified in this Schedule, service provided hereunder is in accordance with the applicable provisions of PSC No. 90 Gas, or superseding issues thereof.

..DID:
..TXT: PSC NO: 88 GAS LEAF: 8.1.1
COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 12/01/02 SUPERSEDING REVISION:
STAMPS: Issued in compliance with Commission Order in Case 01-G-1668 date 11/20/02.

RECEIVED: STATUS: EFFECTIVE: 12/01/02

GENERAL INFORMATION

4. DAILY METERED TRANSPORTATION REQUIREMENTS: (CONT'D)

B. Incremental Facilities:

Customers shall be responsible for the acquisition of any property rights necessary to accommodate the construction and installation of facilities which may be required for the receipt, delivery or metering of natural gas delivered hereunder into the Company's pipeline system. The Company shall be reimbursed by the Customer for any costs incurred in the construction and installation of the required receipt or delivery facilities, including, but not limited to, the costs of labor, materials and customary overheads. Customers subject to balancing provisions under General Information Section 4 of this Schedule are required to install daily metering equipment. The Company will be reimbursed by the Customer for required metering and load management equipment at the Customer location. Information regarding metering options is set forth in the Gas Transportation Operating Procedures Manual.

GENERAL INFORMATION

4. DAILY METERED TRANSPORTATION REQUIREMENTS: (CONT'D)

C. Nomination and Scheduling:

Two business days prior to the start of each month, the Pool Operator shall notify the Company of the daily quantity of gas to be transported during the next monthly period. Failure to notify the Company shall cause the daily nomination to go to zero DT/Day for the next monthly period, until a valid nomination is received.

Pool Operators may renominate or change the daily quantity (subject to capacity limitations and the requirements of the Company's upstream pipeline(s)) of gas to be transported during any monthly period. Intra-month nomination changes are due to the Company by 12:30 p.m. one Day prior to the Day the change is to take effect to allow Company dispatchers to make the necessary arrangements with other gas controllers to effectuate deliveries.

Except weekends and holidays, the Company may accept mid-Day changes in nominations, provided such changes can be confirmed by all affected Upstream Pipelines.

A Pool Operator's nominations for any Day shall not be greater than the Maximum Daily Pooling Quantity of the Pool for the applicable Pooling Area.

All deliveries, as specified in the customer's Gas Transportation Agreement, are subject to physical limitations of the Company's delivery system as determined by the Company. Advanced notice of long-term system constraints shall be made to any affected customers and their marketers by May 1 of each year.

D. Warranty of Title:

Customer warrants that it shall have good title to all natural gas delivered to the Company for transportation hereunder, and that such gas shall be free and clear of all liens, encumbrances and claims whatsoever, and that it shall indemnify the Company and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to said gas.

E. Allowance for Losses:

Effective January 1, 2024, the Aggregation Pool Operator shall provide the Company with a quantity of gas equal 0.0000% of the amount of Customer-owned gas received by the Company as an allowance for losses and Company use incurred in the process of delivery. This allowance is based on the Factor of Adjustment set forth in General Information Section 14 of P.S.C. No. 90 Gas, or superseding issues thereof. The allowance shall be adjusted consistent with changes to the Factor of Adjustment.

GENERAL INFORMATION

4. DAILY METERED TRANSPORTATION REQUIREMENTS: (CONT'D)

F. Balancing Receipts and Deliveries - General:

Each daily metered transportation customer will be daily balanced and will be included in a Pool. A customer choosing to manage supplies on its own behalf shall be its own Pool. The Customer's Pool Operator will be subject to a Daily Balancing Demand Charge, as further described in Service Classification No. 17, and a Daily and Monthly Cash-out as described in General Information Sections 4.G. and H. of this Schedule.

Pool Operators will act on behalf of pooled Customers for balancing receipts and deliveries on the Company's distribution system. An individual Customer acting on its own behalf shall be deemed a Pool Operator. Pool Operators shall be responsible for providing nominations and scheduling in accordance with General Information Section 4.C. of this Schedule. Pool Operators shall also be responsible for all Imbalance charges (i.e. cash-outs, fees, penalties, etc.).

Pool Operators are required to execute a Gas Pooling Agreement as set forth in the Gas Transportation Operating Procedures Manual. Individual customers acting as a Pool Operator on their own behalf will not be required to execute a Gas Pooling Agreement.

The make up of each Pool and Pooling Area shall be subject to the operational limitations of the Company's system.

Individual Customers may switch from one Pool Operator to another Pool Operator in the specified Pooling Area at the conclusion of any month during the term of their Transportation Service Agreement. The Company must be notified by the 15th calendar day of each month. The switch will become effective on the first calendar day of the next month.

GENERAL INFORMATION

4. DAILY METERED TRANSPORTATION REQUIREMENTS: (CONT'D)

G. Daily Balancing for Daily Balanced Pools:

- (1) A Daily Balanced Pool shall have an Imbalance on the Company's system when the quantity of gas received by the Company for the Pool and the corresponding quantity of gas delivered to the facilities of the Customer(s) that belong to the Pool, adjusted for losses, are not equal on any Day. Any positive or negative daily Imbalances shall be cashed-out as stated below. Such daily cash-outs shall be summed and billed to the Pool Operator on a monthly basis.

A negative daily Imbalance exists when the Company receives a quantity of gas for a Pool that is less than the quantity of gas, adjusted for losses, delivered by the Company to the Pool's Customers on a given Day. A positive daily Imbalance exists when the Company receives a quantity of gas for a Pool that is greater than the quantity of gas, adjusted for losses, delivered by the Company to the Pool's Customers on a given Day.

The Company shall cash-out to the initial dead bands on a day-to-day basis such that only imbalances greater than +/- 5% would be cashed out and only back to the 5% level on a daily basis. At the end of the month, the daily imbalances, both positive and negative, would be cashed out to the 0% level.

- (2) Daily Cash-Out Calculation

- a. At the end of the Day the Pooling Area Imbalance shall be calculated.

- (i) If the absolute value of the Pooling Area Imbalance is less than 5%, each Pool Operator shall be cashed-out according to 4.G.(2).b of this Schedule.
- (ii) If the absolute value of the Pooling Area imbalance is greater than 5%, and the absolute value of the ESCO Pool Imbalance is less than 5%, then no cash-out shall apply.
- (iii) If both the absolute value of the Pooling Area Imbalance and the absolute value of the ESCO Pool Imbalance is greater than 5%, that ESCO shall be cashed-out to the 5% tolerance level according to 4.G.(2).c of this Schedule.
- (iv) End of Month Imbalance: At the end of the month, all pools shall be cashed out to a 0% imbalance at the average of the daily prices for the month according to 4.G.(2)(b) of this Schedule.

GENERAL INFORMATION

4. DAILY METERED TRANSPORTATION REQUIREMENTS: (CONT'D)

G. Daily Balancing for Daily Balanced Pools: (Cont'd)

(2) Daily Cash-Out Calculation (Cont'd)

(b) Method for Calculating the Daily Cash-Out Price (Absolute Value Between 0% - 5%)

The Company shall calculate the daily cash-out price by Pooling Area based upon the applicable daily price index published in Gas Daily (or a successor).

Pooling Area	Pricing Components
Algonquin	a. Iroquois Receipts midpoint; plus b. Iroquois & Algonquin variable and fuel.
Columbia	a. Average of Tennessee, La., 500 leg and 800 leg midpoints; plus b. Tennessee & Columbia variable and fuel.
Dominion/EGTS	a. EGTS South Point midpoint; plus b. EGTS variable and fuel.
Iroquois	a. Iroquois Receipts midpoint; plus b. Iroquois variable and fuel.
North Country	a. Iroquois Receipts midpoint; plus b. TransCanada (Iroquois to Napierville) variable and fuel.
O&R	a. Iroquois Receipts midpoint; plus b. Iroquois & Algonquin variable and fuel.
Tennessee	a. Average of Tennessee, La., 500 leg and 800 leg midpoints; plus b. Tennessee variable and fuel.

GENERAL INFORMATION

4. DAILY METERED TRANSPORTATION REQUIREMENTS: (CONT'D)

G. Daily Balancing for Daily Balanced Pools: (Cont'd)

(2) Daily Cash-Out Calculation (Cont'd)

- (c) Method for Calculating the Daily Cash-Out Price (Greater than 5%) shall utilize the following cash-out indices and associated multipliers.

Pooling Area	Negative Imbalances > -5% (Under deliveries)	Positive Imbalances > +5% (Over deliveries)
Algonquin	a. Iroquois Receipts midpoint; plus b. Iroquois & Algonquin Demand (100% Load Factor); plus c. Iroquois & Algonquin variable and fuel.	a. Iroquois Receipts midpoint; plus b. Iroquois & Algonquin variable and fuel.
Columbia	a. Average of Tennessee, La., 500 leg and 800 leg midpoints; plus b. Tennessee & Columbia Demand (100% Load Factor); plus c. Tennessee & Columbia variable and fuel.	a. Average of Tennessee, La., 500 leg and 800 leg midpoints; plus b. Tennessee & Columbia variable and fuel.
Dominion/EGTS	a. EGTS South Point midpoint; plus b. EGTS Demand (100% Load Factor); plus c. EGTS variable and fuel.	a. EGTS South Point midpoint; plus b. EGTS variable and fuel.
Iroquois	a. Iroquois Receipts midpoint; plus b. Iroquois Demand (100% Load Factor); plus c. Iroquois variable and fuel.	a. Iroquois Receipts midpoint; plus b. Iroquois variable and fuel.
North Country	a. Iroquois Receipts midpoint; plus b. TransCanada Demand (100% Load Factor of Iroquois to Napierville); plus c. TransCanada (Iroquois to Napierville) variable and fuel	a. Iroquois Receipts midpoint; plus b. TransCanada (Iroquois to Napierville) variable and fuel.
O&R	a. Iroquois Receipts midpoint; plus b. Iroquois & Algonquin Demand (100% Load Factor); plus c. Iroquois & Algonquin variable and fuel.	a. Iroquois Receipts midpoint; plus b. Iroquois & Algonquin variable and fuel.
Tennessee	a. Average of Tennessee, La., 500 leg and 800 leg midpoints; plus b. Tennessee Demand (100% Load Factor); plus c. Tennessee variable and fuel.	a. Average of Tennessee, La., 500 leg and 800 leg midpoints; plus b. Tennessee variable and fuel.

GENERAL INFORMATION

4. DAILY METERED TRANSPORTATION REQUIREMENTS: (CONT'D)

G. Daily Balancing for Daily Balanced Pools: (Cont'd)

(2) Daily Cash-Out Calculation (Cont'd)

- (c) Method for Calculating the Daily Cash-Out Price (Greater than 5%) shall utilize the following cash-out indices and associated multipliers (Cont'd)

Positive Imbalances (Over Deliveries)	Multiplier
Greater than +5% to +10%	95%
Greater than +10% to +15%	90%
Greater than +15% to +20%	80%
Greater than +20%	50%

Negative Imbalances (Under Deliveries)	Multiplier
Greater than -5% to -10%	105%
Greater than -10% to -15%	110%
Greater than -15% to -20%	120%
Greater than -20%	150%

- (d) Upstream Pipeline Cost Overrun
Applicable and in addition to 4.G.(2)(b) and 4.G.(2)(c) above, the Company shall have the right to collect from ESCOs incremental upstream pipeline costs incurred, beyond the 5% balancing threshold, upon demonstration by the Company.
- (e) Operational Flow Order (OFO)
During an OFO, the Daily Cash-Out Calculation as set forth in Sections 4.(G).(2)(a) and 4.(G).(2)(b), shall be suspended, and each ESCO's imbalance shall be cashed-out according to 4.G.(2)(c).

GENERAL INFORMATION

4. DAILY METERED TRANSPORTATION REQUIREMENTS: (CONT'D)

H. Daily Balancing for Basic Electric Generation Transportation Service (S.C. 15)

- (1) A Daily Balanced Pool shall have an Imbalance on the Company's system when the quantity of gas received by the Company for the Pool and the corresponding quantity of gas delivered to the facilities of the Customer(s) that belong to the Pool, adjusted for losses, are not equal on any day. Any positive or negative daily Imbalances shall be cashed-out as stated below. Such daily cash-outs shall be summed and billed to the Pool Operator on a monthly basis.

A negative daily Imbalance exists when the Company receives a quantity of gas for a Pool that is less than the quantity of gas, adjusted for losses, delivered by the Company to the Pool's Customers on a given day. A positive daily Imbalance exists when the Company receives a quantity of gas for a Pool that is greater than the quantity of gas, adjusted for losses, delivered by the Company to the Pool's Customers on a given day.

The Company shall cash-out to the initial dead bands on a day-to-day basis such that only imbalances greater than +/-2% would be cashed-out and only back to the 2% level on a daily basis. At the end of the month, the daily imbalances, both positive and negative, would be cashed-out to the 0% level.

(2) Daily Cash-Out Calculation

- a. At the end of the day the Pooling Area Imbalance shall be calculated.
 - i. If the absolute value of the Pooling Area Imbalance is less than 2%, each Pool Operator shall be cashed-out according to Rule 4.H.(2)b of this Schedule.
 - ii. If the absolute value of the Pooling Area Imbalance is greater than 2%, and the absolute value of the ESCO Pool Imbalance is less than 2%, then no cash-out shall apply.
 - iii. If both the absolute value of the Pooling Area Imbalance and the absolute value of the ESCO Pool Imbalance is greater than 2%, that ESCO shall be cashed-out to the 2% tolerance level according to Rule 4.H.(2)c of this Schedule.
 - iv. End of Month Imbalance: At the end of the month, all Pools shall be cashed-out to a 0% Imbalance at the average of the daily prices for the month according to Rule 4.H.(2)b of this Schedule.

GENERAL INFORMATION

4. DAILY METERED TRANSPORTATION REQUIREMENTS: (CONT'D)

H. Daily Balancing for Basic Electric Generation Transportation Service (S.C. 15) (Cont'd)

(2) Daily Cash-Out Calculation (Cont'd)

b. Method for Calculating the Daily Cash-Out Price (Absolute Value Between 0%-2%)

The Company shall calculate the daily cash-out price by Pooling Area based upon the applicable daily price index published in Gas Daily (or a successor).

Pooling Area	Pricing Components
Algonquin	a. Iroquois Receipts midpoint plus b. Iroquois & Algonquin variable and fuel.
Columbia	a. Average of Tennessee, La., 500 leg and 800 leg midpoints; plus b. Tennessee & Columbia variable and fuel.
Dominion/EGTS	a. EGTS South Point midpoint; plus b. EGTS variable and fuel.
Iroquois	a. Iroquois Receipts midpoint; plus b. Iroquois variable and fuel.
North Country	a. Iroquois Receipts midpoint; plus b. TransCanada (Iroquois to Napierville) variable and fuel.
O&R	a. Iroquois Receipts midpoint; plus b. Iroquois & Algonquin variable and fuel.
Tennessee	a. Average of Tennessee, La., 500 leg and 800 leg midpoints plus b. Tennessee variable and fuel.

GENERAL INFORMATION

4. DAILY METERED TRANSPORTATION REQUIREMENTS: (CONT'D)

H. Daily Balancing for Basic Electric Generation Transportation Service (S.C. 15) (Cont'd)

(2) Daily Cash-Out Calculation (Cont'd)

- c. Method for Calculating the Daily Cash-Out Price (Greater than 2%) shall utilize the following cash-out indices and associated multipliers.

Pooling Area	Negative Imbalances > -2% <i>(Under deliveries)</i>	Positive Imbalances > +2% <i>(Over deliveries)</i>
Algonquin	a. Iroquois Receipts midpoint; plus b. Iroquois & Algonquin Demand (100% Load Factor); plus c. Iroquois & Algonquin variable and fuel.	a. Iroquois Receipts midpoint; plus b. Iroquois & Algonquin variable and fuel.
Columbia	a. Average of Tennessee, La., 500 leg and 800 leg midpoints; plus b. Tennessee & Columbia Demand (100% Load Factor); plus c. Tennessee & Columbia variable and fuel.	a. Average of Tennessee, La., 500 leg and 800 leg midpoints; plus b. Tennessee & Columbia variable and fuel.
Dominion/EGTS	a. EGTS South Point midpoint; plus b. EGTS Demand (100% Load Factor); plus c. EGTS variable and fuel.	a. EGTS South Point midpoint; plus b. EGTS variable and fuel.
Iroquois	a. Iroquois Receipts midpoint; plus b. Iroquois Demand (100% Load Factor); plus c. Iroquois variable and fuel.	a. Iroquois Receipts midpoint; plus b. Iroquois variable and fuel.
North Country	a. Iroquois Receipts midpoint plus b. TransCanada Demand (100% Load Factor of Iroquois to Napierville); plus c. TransCanada (Iroquois to Napierville) variable and fuel.	a. Iroquois Receipts midpoint; plus b. TransCanada (Iroquois to Napierville) variable and fuel.
O&R	a. Iroquois Receipts midpoint; plus b. Iroquois & Algonquin Demand (100% Load Factor); plus c. Iroquois & Algonquin variable and fuel.	a. Iroquois Receipts midpoint; plus b. Iroquois & Algonquin variable and fuel.
Tennessee	a. Average of Tennessee, La., 500 leg and 800 leg midpoints; plus b. Tennessee Demand (100% Load Factor); plus c. Tennessee variable and fuel.	a. Average of Tennessee, La., 500 leg and 800 leg midpoints; plus b. Tennessee variable and fuel.

GENERAL INFORMATION

4. DAILY METERED TRANSPORTATION REQUIREMENTS: (CONT'D)

H. Daily Balancing for Basic Electric Generation Transportation Service (S.C. 15) (Cont'd)

(2) Daily Cash-Out Calculation (Cont'd)

- c. Method for Calculating the Daily Cash-Out Price (Greater than 2%) shall utilize the following cash-out indices and associated multipliers (Cont'd)

Positive Imbalances (Over Deliveries)

Greater than 0 to +2%
Greater than +2% to +5%
Greater than +5% to +10%
Greater than +10%

Multiplier

Market Price
90%
80%
70%

Negative Imbalances (Under Deliveries)

Greater than 0 to -2%
Greater than -2% to -5%
Greater than -5% to -10%
Greater than -10%

Multiplier

Market Price
110%
120%
130%

- d. Upstream Pipeline Cost Overrun
Applicable and in addition to 4.H.(2)b and 4.H.(2)c above, the Company shall have the right to collect from ESCOs incremental upstream pipeline costs incurred, beyond the 2% balancing threshold, upon demonstration by the Company.
- e. Operational Flow Order (OFO)
During an OFO, the Daily Cash-Out calculation as set forth in Sections 4.H.(2)a and 4.H.(2)b, shall be suspended, and each ESCO's imbalance shall be cashed-out according to 4.H.(2)c.

..DID:
..TXT: PSC NO: 88 GAS LEAF: 11
COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 1
INITIAL EFFECTIVE DATE: 09/01/98 SUPERSEDING REVISION: 0
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RECEIVED: STATUS: EFFECTIVE: 09/01/98

GENERAL INFORMATION

RESERVED FOR FUTURE USE

Issued By: Michael I. German, Senior Vice President, Binghamton, New York
(Name of Officer, Title, Address)

GENERAL INFORMATION

4. DAILY METERED TRANSPORTATION REQUIREMENTS: (CONT'D)

I. Reserved for Future Use

J. Cancellation of Service Agreement:

In the event a service agreement is cancelled, any existing imbalance quantities shall be reconciled using the methodology stated in General Information Rules 4.G.(2)(c) of this Schedule.

K. Company's Obligation to Deliver:

In no event shall the Company be obligated to deliver a total quantity of gas in excess of the Pool's Maximum Daily Pooling Quantity (MDPQ) for the applicable Pooling Area.

In the event that Pool consumption is in excess of the Maximum Daily Pooling Quantity, the Pool Operator shall be cashed-out as set forth in General Information Rule 4.G. of this Schedule, plus \$15.00 per Dth.

L. Reserved for Future Use

GENERAL INFORMATION

4. DAILY METERED TRANSPORTATION REQUIREMENTS: (CONT'D)

M. Billing of Imbalance Charges:

All Pool Operators assume the imbalances of all Customers within their specified Pools. The Pool Operator will be billed all costs associated with Imbalances and Imbalance Trading.

N. Billing and Payment:

All bills are rendered at the "unit prices" stated in this Schedule, and that amount is due on bills paid on or before the "past due" date indicated on the bill.

(1) Marketers/Pool Operators/Direct Customers Billing and Payment:

- (a) Marketers/Pool Operators/Direct Customers will be billed in accordance with Section 24 of this Schedule.**

(2) Customer Billing and Payment:

- (a) Eligible Customers may make a billing and payment processing election in accordance with Section 32 of this Schedule.**
- (b) All other Customers will be billed in accordance with Section 8 of PSC No. 90 Gas, or superseding issues thereof.**

O. Alternate Fuel Facilities:

Where service provided hereunder is subject to the Customer maintaining alternate fuel facilities, the Company reserves the right to conduct an on-site inspection of such facilities at any time to determine whether the facilities are properly installed, maintained, functioning and capable of serving the Customer's energy requirements at a level equivalent to the natural gas delivered hereunder, or as specified in the Customer's Transportation Service Agreement.

P. Upstream Capacity Requirements:

This section is applicable to: (1) all Core Customers, (2) all Critical Care Customers, and (3) all Mandatory Release Capacity Customers.

GENERAL INFORMATION

4. DAILY METERED TRANSPORTATION REQUIREMENTS: (CONT'D)

P. Upstream Capacity Requirements: (Cont'd)

A. Mandatory Capacity Release

An ESCO serving a Mandatory Capacity Release Customer shall be required to take primary point capacity from NYSEG every month of the year to serve such customer's peak day needs, unless the ESCO has grandfathered capacity to serve such customers as described in Section 4.P.B. Grandfathered ESCO-Supplied Capacity.

B. Grandfathered ESCO-Supplied Capacity

Any ESCO providing primary point deliverability on an Upstream Pipeline(s) at the Receipt Point(s) designated by the Company for Mandatory Release Capacity Customers will be allowed to do so based on the highest customer load for the September 1 through November 1, 2007 transition period, and as further adjusted as described below (also known as "Grandfathered Capacity").

The volumetric level of grandfathered primary point deliverability will be reviewed annually beginning April 1, 2009 to adjust for any reductions in the level of customer load served by the ESCO in the past 13 months. If the highest volumetric level of grandfathered primary point deliverability during the 13 month time period has dropped by 500 Dth from the then current level of Grandfathered Capacity, the level of Grandfathered Capacity for the ESCO will be reduced to reflect the volumetric level identified during the annual review. The level of grandfathered primary point deliverability will not be increased unless the ESCO purchases the entire book of customers from another ESCO as described below.

An ESCO using its own primary point deliverability to meet some or all of its Mandatory Capacity Release Customers' requirements may pass those grandfathered rights on as a package only when it sells its entire customer book to another ESCO.

Issued in compliance with order in Case 07-G-0299 dated March 28, 2008.

Issued by: James A. Lahtinen, Vice President - Rates & Regulatory Economics, Binghamton, NY

GENERAL INFORMATION

4. DAILY METERED TRANSPORTATION REQUIREMENTS: (CONT'D)

P. Upstream Capacity Requirements: (Cont'd)

B. Grandfathered ESCO – Supplied Capacity (cont'd)

ESCO's with Grandfathered Capacity shall be required to demonstrate through an affidavit signed by an officer of its company, that it has and shall continue to have, (1) non-recallable firm primary point deliverability on an Upstream Pipeline(s) at the Receipt Point(s) designated by the Company. The Upstream Capacity must be capable of fully meeting expected daily and seasonal requirements; recognizing that the capacity requirements are generally less in summer and transition months (April - October) than during winter months (November - March).

If a Critical Care Customer without alternate fuel or its ESCO cannot make the demonstration detailed above, the Customer's ESCO must take primary point capacity from NYSEG for every month of the year to serve such customer's peak day need.

C. ESCO – Supplied Capacity

ESCOs serving Core Daily Metered customers that are not Critical care shall be required to demonstrate through an affidavit signed by an officer of its company, that it has and shall continue to have, (1) non-recallable firm primary point deliverability on an Upstream Pipeline(s) at the Receipt Point(s) designated by the Company or (2) Company recallable firm primary point deliverability on an Upstream Pipeline(s) at the Receipt point(s) designated by the Company. The Upstream Capacity must be capable of fully meeting expected daily and seasonal requirements; recognizing that the capacity requirements are generally less in summer and transition months (April - October) than during winter months (November – March).

If an ESCO serving Non-Critical Care Customers without alternate fuel cannot make the demonstration detailed above, the Customer must either (a) elect reservation of the "Sales Customer" status or Standby Sales Service for a one year period if the Company has sufficient capacity available to offer such service, or (b) be designated as firm secondary. After the conclusion of the one year period, a Customer electing (a) above may be designated as not wishing to reserve their "Sales Customer" status, or terminate their election of Standby Sales Service, provided the requirements set forth above have been satisfied.

For Customers designated as firm secondary, ESCOs/Pool Operators must notify each Customer in writing, with a copy to NYSEG, that the Customer is firm secondary and may be subject to interruption if it is determined that the Marketer/Pool Operator is unable to provide sufficient quantities of natural gas. For Customers being designated as firm secondary, the Customer and the Marketer/Pool Operator may agree to specific demand reductions. Such agreements shall not reduce the Maximum Daily Transport Quantity used for billing purposes, or in any way limit the Company's ability to impose restrictions otherwise provided for pursuant to this Schedule or PSC No. 90 – Gas.

If, during an Operational Flow Order ("OFO"), an ESCO/Pool Operator is not providing sufficient quantities of natural gas to meet its Pool requirements, NYSEG may interrupt Customers in the Marketer's/Pool Operator's Pool in the following order: (1) interruptible transportation Customers, and (2) firm transportation Customers with alternate fuel sources and pre-11/2/95 firm transportation Customers subject to the firm secondary queue provided by their ESCO/Pool Operator. Customers failing to suspend gas use as directed by the Company shall be subject to the unauthorized overrun penalties set forth in Section 10 of this Schedule.

GENERAL INFORMATION

4. DAILY METERED TRANSPORTATION REQUIREMENTS: (CONT'D)

Q. Capacity Assignment:

Any Customer in Cattaraugus County (also referred to as "Olean"), requesting firm transportation service under this Schedule, who was a firm sales customer on or after November 2, 1995, shall take an assignment of upstream pipeline transportation capacity at the Company's contracted rate, effective with this provision. The quantity of upstream pipeline transportation capacity assigned shall be sufficient to meet the Customer's estimated Maximum Daily Transportation Quantity (MDTQ), based on the Company's design day criteria. At the Customer's request, capacity may be directly assigned to the Customer's ESCO.

Capacity shall be assigned to a transportation Customer or their ESCO to meet operational and reliability needs. Such assignments shall be for successive one (1) year terms one month at a time. The capacity assignment shall be recallable under any of the following four conditions: (1) the Customer requests firm sales service from the Company; (2) the Customer ceases to be a Customer of the Company; (3) the Customer switches to a new ESCO; or (4) the Customer's ESCO fails to perform.

R. Capacity Surcharge(s):

In certain areas, ESCOs of daily metered firm transportation Customers, Interruptible Transportation customers, or Direct Customers, shall be assessed a capacity surcharge. These areas are specified in the Company's GTOP Manual. The capacity surcharge shall reflect the costs incurred by the Company to transport Customers' supplies on intermediary local distribution companies and intrastate pipelines to the Company's citygate(s).

ESCOs of daily metered firm transportation Customers, Interruptible Transportation Customers, or Direct Customers should refer to the Company's Statement of Gas Transportation Rate, filed monthly with the Commission, to view the Capacity Surcharge rate.

S. Voluntary Capacity Assignment:

Customers or ESCOs may voluntarily take assignment of the Company's available upstream storage and transportation capacity.

Such assignments shall be for successive one (1) year terms one month at a time so long as the Company continues to have operationally available capacity. The capacity assigned shall be recallable.

GENERAL INFORMATION

4. DAILY METERED TRANSPORTATION REQUIREMENTS: (CONT'D)

T. Gas Cost Savings Investment Recovery Mechanism (IRM):

The Gas Cost Savings Investment Recovery Mechanism (IRM) will be applicable to any Marketer (or Pool Operator) using IRM Project facilities in a manner consistent with the provisions contained in the Company's September 12, 2002 Gas Joint Proposal as approved by the PSC in its November 20, 2002 order issued in Cases 01-G-1668 and 01-G-1683.

U. Hourly Usage Data:

Each Marketer (or Pool Operator) serving daily metered transportation Customers shall be assessed a charge for the on-going cost incurred by the Company to provide hourly usage data.

A statement of the charge will be filed with the PSC no later than three (3) days before the effective date as part of the Gas Transportation Rate (GTR) Statement.

V. Establishment of Maximum Daily Transportation Quantity (MDTQ)

A Maximum Daily Transport Quantity (MDTQ) will be established for each daily metered transportation customer for the months of November through March (the "Winter MDTQ") and for the months of April through October (the "Summer MDTQ"). An Initial Review will be conducted to establish MDTQs that will be effective on January 1, 2004. Subsequent reviews (the "Annual Review") will commence on April 1 of each year (beginning with April 1, 2005) to establish MDTQs that will be effective on the following July 1. The Initial Review will be performed based on the data collected through June 30, 2003. Each Annual Review will be based on data collected through March 31 of the year in which the review is conducted.

The Company will establish the Winter MDTQ and the Summer MDTQ as follows:

- (1) For space heating Customers, three years of the most recent historical usage will provide the basis for developing a base usage quantity and seasonal Heating Degree Day (HDD) usage factors. In the event that less than three years of the most recent historical usage is available, the maximum data available will provide the basis for developing a base usage quantity and seasonal HDD usage factors, except as provided in Paragraph (3) below. The MDTQ will be the sum of the base usage quantity and the product of the seasonal HDD usage factor and seasonal design HDD. The Winter MDTQ will be established using a seasonal design HDD of 75 and the Summer MDTQ will be established using a seasonal design HDD of 50.
 - (a) A firm industrial revenue class Customer will be deemed a space heating customer if more than 50% of such industrial Customer's annual usage is experienced in the period November 1 through March 31.

Issued in compliance with order in Case 01-G-1668 dated September 23, 2003

Issued by: James A. Lahtinen, Vice President - Rates & Regulatory Economics, Binghamton, NY

GENERAL INFORMATION

4. DAILY METERED TRANSPORTATION REQUIREMENTS: (Cont'd)

V. Establishment of Maximum Daily Transportation Quantity (MDTQ) (Cont'd)

- (2) For non-space heating Customers, the Winter MDTQ and the Summer MDTQ will be established based on historical usage. The Winter MDTQ will be the Customer's highest daily usage occurring in the five most recent Winter Periods (i.e., November through March). The Summer MDTQ will be the Customer's highest daily usage occurring in the five most recent Summer Periods (i.e., April through October).
- (3) For Customers with insufficient historical usage (i.e., less than one year of historical usage), determinations will be made on a case-by-case basis (e.g., interviews with the Customer and review of equipment).
- (4) Adjustments to MDTQs established using the guidelines set forth in Paragraphs (1) and (2) may be made on a case-by-case basis (e.g., interviews with the Customer and review of equipment).
- (5) MDTQs established during a review may be adjusted between reviews. In the event a Customer exceeds its MDTQ, the MDTQ will be reset at the higher level at the start of the next billing cycle and remain at that level unless and until changed during the next Annual Review. In the event a customer has a 10% or greater reduction in demand that it can demonstrate will continue for a period greater than 12 months, the Customer or its then-current Marketer/Pool Operator may request a review of the MDTQ prior to the next Annual Review. If such review results in a modification to the MDTQ, the MDTQ will be reset to reflect that modification at the start of the next billing cycle and remain at that level unless and until changed during the next Annual Review.
- (6) The Company will penalize the Customer, pursuant to Section 10 of this Schedule, if it is determined that the Customer or their Marketer misled or provided inaccurate information to the Company when establishing the MDTQ(s).
- (7) Additional information regarding the process for the establishment of the MDTQs is available in the Gas Transportation Operating Procedures Manual.