

GENERAL INFORMATION

10. CONDITIONS OF GAS SERVICE:

Until further order of the PSC, applications shall be accepted and service shall be rendered to any new gas customer and additional gas supplied to existing customers subject to the following conditions:

A. Discontinuance or Curtailment of Service

(1) Company's Right to Curtail or Limit Service

The Company may curtail or discontinue service in whole or in part, of daily, monthly, seasonal or annual quantities without incurring thereby any liability for any subsequent loss or damage which the Customer may sustain by reason of such curtailment or discontinuance, in order to conserve the supply of gas for existing domestic uses and uses deemed to be necessary for the protection of public health and safety and to avoid undue hardship. If the Company finds it necessary to curtail service, the Company may curtail service to a Customer or give oral or written notice of curtailment. If notice of curtailment is given, a customer must curtail its use of service pursuant to the notice.

The Company shall only implement a curtailment as a last resort. Economic considerations shall not be the basis for a curtailment. Mutual aid, contractual and other non-curtailment supply management tools, Operational Flow Orders, interruption of contractually-interruptible load, and supply acquisition shall be utilized before a curtailment is declared.

In the event the Company reasonably foresees an inability to meet the firm daily requirements of core sales or transportation customers, the Company shall have the right to curtail or limit any customer's use of gas. Curtailments shall be limited in scope and duration as necessary to alleviate an emergency. To the extent possible, curtailments shall be localized. The Company shall not incur any liability for any cost, expense, loss or injury which may be sustained by reason of such curtailment or limitation.

In the event of a loss of supply due to force majeure circumstances including but not limited to major physical upstream failures beyond the control of the Company or the ESCOs (e.g. pipeline ruptures, widespread well freeze-offs, etc.), the Company shall endeavor to implement all curtailment plans in a nondiscriminatory manner, without regard to which ESCO (or the Company) provides gas service to those customers which may be curtailed. Notwithstanding the above, the Company shall take any and all actions which, in its sole judgment, are required to maintain system integrity.

As part of the implementation of these curtailment procedures, the Company's Gas Emergency Plan shall be put into effect. In the event of an emergency, the Company may deviate from Rule 10.A to the extent operational circumstances make it appropriate to do so. The Company shall exercise sound operational discretion, using these procedures as a general guideline.

For the purpose of this Rule 10.A., the term "commercial customers" shall include governmental and public authority customers. The term "core customers" is defined to include customers that lack alternatives. They take either (a) firm sales service, and lack installed equipment capable of burning fuels other than gas; or (b) firm transportation service. A non-residential customer is a person, corporation or other entity receiving service who is not a residential customer as defined in 16 NYCRR11.

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10. CONDITIONS OF GAS SERVICE: (CONT'D)

A. Discontinuance or Curtailment of Service (Cont'd)

(2) Curtailment Notification Process

The Company shall notify the Director of the Office of Electric, Gas and Water of the New York State Department of Public Service when a curtailment is declared and when the situation returns to normal. Additional notification shall be provided to the Energy Service Companies (ESCOs) and curtailed customers periodically during the curtailment period.

(3) Customer Compliance

Customers are required to comply with the requirements of the curtailment. The allowed curtailment amount may be equivalent to, or a portion of, the customer's base level of usage. Any customer's failure to comply shall result in a penalty as described below.

(4) Penalties

Any customer who fails to comply with the Company's curtailment instructions may be charged a penalty the greater of: (a) \$2.50 per therm, or (b) three times the market price on use above the customer's allowed curtailment amount. The market price during a curtailment is defined for respective pooling areas for under deliveries as defined in Rule 8.A.(6) of P.S.C. No. 88. In the event additional supplies are made available, the Company shall have the right, without obligation, to waive any penalty charges incurred under this section.

The payment of a penalty for unauthorized overrun shall not under any circumstance be considered as giving a customer the right to exceed established allotments, nor shall such payment be considered as a substitute for any other remedies available to the Company against the offending customer for failure to respect its obligation to adhere to the provisions of the Company's filed tariff.

(5) General Curtailment Procedures

In the event of interruption or a force majeure curtailment situation due to a supply deficiency, the needs of core customers shall be met first, regardless of whether they are customers of the Company or an ESCO. If the Company is unable to satisfy the full requirements of its customers and finds it necessary to curtail existing service due to a deficiency in its gas supply, the Company shall curtail service generally following the procedures set forth below. In the event of an emergency, the Company may deviate from these procedures to the extent operational circumstances make it appropriate to do so.

- (a) Reduce company-use gas to the extent possible by:
 - (i) Reducing usage of natural gas for electric generation;
 - (ii) Reducing the heating load at company facilities.

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10. CONDITIONS OF GAS SERVICE: (CONT'D)

A. Discontinuance or Curtailment of Service: (Cont'd)

(5) General Curtailment Procedures: (Cont'd)

- (b) Contact dual-fuel customers and instruct them to switch to an alternate fuel (excluding plant protection.) These customers shall be asked to maintain their incoming gas supplies which shall be redirected to supply core customers.
- (c) Implement the New York Gas Group Standard Operating Procedure for the Pooling of Gas Supply and/or other mutual aid procedures if appropriate.
- (d) Issue public appeal for voluntary load reduction.
- (e) Request the County or Counties affected to declare a State of Emergency in order to close non-essential facilities.
- (f) Curtail large industrial and commercial transportation customers that have returned to sales service and the Company was unable to obtain a pipeline capacity contract to serve them to the minimum level required to maintain building protections;
- (g) Non-core requirements for customers with full facilities to burn an alternate fuel (in lieu of gas) and having annual requirements greater than 50,000 Dth/year. Curtailment shall be in order by size beginning with the largest customer.
- (h) Non-core requirements for customers with full facilities to burn an alternate fuel (in lieu of gas) and having annual requirements greater than 12,000 Dth/year. Curtailment to be in order by size beginning with the largest.
- (i) Industrial and commercial space heating boiler fuel requirements, air conditioning, electric generation, and other non-process purposes where the total base annual requirements are 12,000 Dth. or larger.
- (j) Curtail non-residential customers with annual requirements of 12,300 Dth. or larger, starting with the largest first.
- (i) In the event of non-compliance or if further curtailment is required, the Company may perform physical curtailment of the above customers.
- (k) Process requirements for which there are technically feasible alternative fuels, and industrial and commercial requirements for space heating (other than boiler fuel use), where the total base annual requirements are 12,000 Dth. or larger.
- (l) Industrial and commercial space heating boiler fuel requirements, air conditioning, electric generation and other non-process purposes, where the total base annual requirements are between 1,200 Dth. and 11,999 Dth inclusive;
- (m) Process requirements for which there are technically feasible alternate fuels, and industrial and commercial requirements for space heating (other than boiler fuel use), where the total base annual requirements are between 1,200 Dth. and 11,999 Dth. inclusive.

GENERAL INFORMATION

10. CONDITIONS OF GAS SERVICE: (CONT'D)

A. Discontinuance or Curtailment of Service: (Cont'd)

(5) General Curtailment Procedures: (Cont'd)

- (n) Process and feedstock requirements for which there are no technically feasible alternative fuels, where the total base annual requirements are 1,200 Dth. or more.
- (o) Plant protection requirements for customers curtailed in items a through n above.
- (p) Industrial and commercial requirements, where combined total base annual requirements are less than 1,200 Dth.
- (q) Residential requirements;
- (r) Reduce load by scheduling electric blackouts for brief periods of time (not to exceed thirty minutes) in the affected areas. Notify the public of the locations and durations of outages.
- (s) Give consideration to:
 - (i) the need to maintain gas service to emergency facilities providing shelter;
 - (ii) special provisions for life support and special needs customers.
- (t) Perform curtailments to remaining customers. These customers shall be curtailed based on location and ease of restoration:
 - (i) Location - areas of major system problems that are at risk of failing shall be curtailed first;
 - (ii) Ease of restoration - precautions shall be taken such that the low pressure distribution system shall be maintained.

(6) Restoration

When the Company determines that service can be restored to customers, it shall implement restoration procedures and shall notify the public of restoration status. Compensation shall be charged or credited through the settlement process mechanism described in Rule 8.A.(6) – Compensation for Diverted Gas, in P.S.C. No. 88. Such determination shall be considered final and binding on all parties. The normal settlement methodology shall not be used in cases where an ESCO's load was reduced at the request of, or due to the action of, the Company.

GENERAL INFORMATION

10. CONDITIONS OF GAS SERVICE: (CONT'D)

B. Transfer of Gas Quantities:

A residential, commercial or industrial property owner may not transfer quantities from one property, owned by him, to another property, also owned by him, except that commercial or industrial process quantities may be transferred within the plant or plants of the same customer provided that such transfer be of limited duration for the purpose of off-setting curtailment. Quantities and load profiles transferred must be approximately the same or less and the Customer must bear the full cost of such transfer.

C. Reserved for Future Use

D. Reserved for Future Use

E. Reserved for Future Use

GENERAL INFORMATION

10. CONDITIONS OF GAS SERVICE: (CONT'D)

F. Emergency Electric Generation:

The Company will provide gas service where gas is to be used for emergency electric generation under the following conditions:

- (1) Only sufficient emergency electric generating capacity is installed to provide minimum requirements for safety and health.
- (2) The customer will be required to pay for all additional installation costs associated with emergency electric generation service including mains and service laterals and metering if required.
- (3) When the Company has sales restrictions, customers with emergency electric generation will be penalized for excessive usage. Excessive usage will occur when the customer exceeds his existing annual limitation for other uses plus an annual emergency electric generating allotment based on one-half hour testing each week and estimated use during verifiable power outages. Any use in excess of this new annual limitation will be billed, where appropriate, at the maximum tariff penalty for unauthorized use.

G. Outdoor Gas Lighting:

The PSC has prohibited the use of natural gas in gas-fired decorative torches. A decorative torch is defined as any device in which gas is used as a fuel to produce an open flame, whether or not such flame is open to the atmosphere or enclosed in glass or other appropriate covering. Service is permitted for outdoor lighting fixtures wherein a mantle is employed that enables the gas to be converted to useful lighting.

GENERAL INFORMATION

10. CONDITIONS OF GAS SERVICE: (CONT'D)

H. Minimum Insulation Standards for the Provision of Gas Service:

(1) Definitions:

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

- (a) "Dwelling" - A building designed or used as the living unit for one or more families. Mobile homes shall not be considered dwellings.
- (b) "Historical Building" - Any building or structure designated historically significant by the State or local governing body, or listed (or determined by the Secretary of the Interior to be eligible to be listed) in "The National Register of Historic Places."

(2) Applicability and Compliance for New Dwellings:

All new dwellings shall not be eligible for gas service unless these dwellings comply with the New York State Energy Conservation Construction Code. Compliance with this Code shall be satisfied under any of the following circumstances:

- (a) a building permit is obtained for the dwelling from a building code authority or similar authority empowered by local law to issue building permits; or,
- (b) An affirmation is given by the contractor or builder on a certificate of compliance (see Rule 10.H.(11)(b)) that the construction of the dwelling shall comply with the Energy Conservation Construction Code within 30 days after occupancy; or,
- (c) A modification or variance from the requirements of the Energy Conservation Construction Code is issued by the State Board of Review as constituted pursuant to the Executive Law.

GENERAL INFORMATION

10. CONDITIONS OF GAS SERVICE: (CONT'D)

H. Minimum Insulation Standards for the Provision of Gas Service: (Cont'd)

(2) Applicability and Compliance for New Dwellings: (Cont'd)

For any dwelling constructed after April 1, 1977, but before January 1, 1979, gas service will not be provided without compliance with the Minimum Insulation Standards promulgated by the Commission in Opinion 77-10 (Case 26286, November 2, 1977) as amended.

(3) Waivers:

For any dwelling constructed after April 1, 1977, but before January 1, 1979, a waiver from these requirements may be granted by:

- (a) The Company when the overall heat loss for the building envelope does not exceed the total heat loss which would result from conformance to the individual requirements. The heat loss calculations shall be certified by a licensed engineer or architect.
- (b) The Company, if the applicant for service can establish through two estimates, one of which may be a Company audit, that the purchase price and installation charge (excluding financing charges) will be greater than seven times the anticipated annual savings to be obtained, (based on the present cost of the fuel currently used in the dwelling).
- (c) The Public Service Commission for just cause, in unusual circumstances, if the applicant for gas service has been denied a waiver pursuant to subsections (a) or (b) above.

A copy of each waiver granted or denied shall be made available to the Commission, and each applicant denied a waiver shall be promptly informed by the Company of the right to appeal to the Commission.

GENERAL INFORMATION

10. CONDITIONS OF GAS SERVICE: (CONT'D)

H. Minimum Insulation Standards for the Provision of Gas Service: (Cont'd)

(4) Certificate of Compliance:

A Certificate of Compliance (see Rule 10.H.11.a), shall be used in all areas of the State where no local authority exists, to assure compliance with the insulation requirements of the Energy Conservation Construction Code.

Each Certificate of Compliance shall be signed by the builder or contractor and the owner shall receive a copy of such certificate.

(5) Compliance procedures:

In areas where there is no local building code authority, upon a complaint by a dwelling owner or tenant concerning non-compliance with the provisions of Rule 10.H.(2), the Company will perform an on-site inspection to determine conformance with the standards concerning roofs, walls, foundation walls, floors, windows, and doors. The result of this inspection will be provided in writing to the owner (and tenant when applicable) of the dwelling.

Whenever the Company finds, as a result of such inspection or notification by the local building code authority, more than one outstanding complaint against any particular contractor wherein a dwelling constructed by such contractor or builder was found to be in non-compliance with the applicable standards, the Company will refuse to provide gas service to any construction site of that contractor or builder until all existing violations are corrected. The Company will undertake random inspections of the future construction work of a past non-complying contractor or builder until such time as the Company is satisfied that the applicable standards are being met.

GENERAL INFORMATION

10. CONDITIONS OF GAS SERVICE: (CONT'D)

H. Minimum Insulation Standards for the Provision of Gas Service: (Cont'd)

(6) Penalties for Non-Compliance:

In the event the Company finds that any dwelling fails to comply with Rule 10.H.(2)(a) or 10.H.(2)(b), the Company will impose a 25 percent surcharge on any bill for gas service to the customer until such violations are corrected.

The effective date of the surcharge price shall be:

- a) Immediately after notice, in the event the owner is directly responsible for the non-compliance.
- b) Ninety days after notice, in the event the owner has not contributed to the deficiencies. No surcharge shall be applied if the owner brings the dwelling into compliance within 90 days.

In the event the owner is not billed for the provision of gas service, no surcharges will be applied to the bills of the non-owner occupants of the dwelling. Instead, after notification to the owner that the dwelling is not in compliance, a surcharge will be billed to the owner. The surcharge will be 25 percent of the gas bills for the dwelling that is not in compliance.

In the event that circumstances prevent collecting the surcharge amount from the owner of the non-complying dwelling, the Company may refuse future connections for service to new tenants in the dwelling until it is brought into compliance.

Furthermore, if the owner is an occupant of the dwelling, but is not billed for any gas service, the surcharge will be imposed on the bill for service to the unit occupied by the owner.

GENERAL INFORMATION

10. CONDITIONS OF GAS SERVICE: (CONT'D)

H. Minimum Insulation Standards for Existing Dwellings Converting to Gas Space Heat: (Cont'd)

(7) Applicability and Conditions for Existing Dwellings Converting to Gas Space Heat:

An existing dwelling will not be supplied gas service for the purpose of converting to gas space heat unless:

- (a) The roof/ceiling has at least 6 inches of insulation or insulation with an R value of 19 or greater,
- (b) The dwelling has storm windows, or thermal windows with multiple glazing, and
- (c) The entrances have storm doors or thermal doors.

(8) Waivers:

The Company may waive the requirements in Rule 10.H.(7) where:

- (a). The applicant for service can establish through two estimates, one of which may be a Company audit, that the purchase price and installation charge (excluding interest charges) will be greater than seven times the anticipated annual savings to be obtained (based on the present cost of the fuel currently used in the dwelling).
- (b). The dwelling is an historical building, or
- (c). Other measures have been taken so that the overall heat loss for the dwelling envelope does not exceed the total heat loss which would result from conformance with the minimum requirements of Rule 10.H.(7). Such a heat loss calculation must be certified by a licensed architect or engineer.

In the case of a dwelling having a flat roof, compliance with the roof insulation standard will not be required if four or more inches of insulation are already in place or if insulation can be installed only by means of cutting an opening in the roof.

GENERAL INFORMATION

10. CONDITIONS OF GAS SERVICE: (CONT'D)

H. Minimum Insulation Standards for the Provision of Gas Service: (Cont'd)

(8) Waivers: (Cont'd)

In the case of a dwelling having six or more stories, storm windows shall not be required as long as the Company certifies that the dwelling's windows are caulked and weather stripped. This certification shall be made in writing to the Commission. A storm window shall not be required on any window opening onto a fire escape.

Copies of waivers granted or denied by the Company shall be made available to the Commission. Applicants denied waivers shall be informed of their right to appeal that denial to the Commission.

The Commission may grant a waiver of the requirements of Rule 10.H.(7) for just cause after an applicant for gas service has been denied a waiver by the Company.

(9) Certificate of Compliance:

A dwelling's compliance with Rule 10.H.(7) shall be certified either by: (i) the owner, (ii) a contractor of the owner's choice who has inspected the dwelling, or (iii) a Company representative who has inspected the dwelling at the owner's request. (See Rule 10.H.(11)(b))

The Company shall provide the Certificate of Compliance to the applicant at the time of application for service, so that the applicant shall be apprised of the requirements for service and the methods by which compliance can be certified.

(10) Penalties for Non-Compliance:

The Company shall impose a 25% surcharge on any bill for gas service to any dwelling which has converted to gas space heat and which does not comply with the standards set forth in Rule 10.H.(7).

GENERAL INFORMATION

10. CONDITIONS OF GAS SERVICE: (CONT'D)

H. Minimum Insulation Standards for the Provision of Gas Service: (Cont'd)

(10) Penalties for Non-Compliance: (Cont'd)

The effective date of the surcharge price shall be:

- (a) Immediately after notice, in the event the owner is directly responsible for the non-compliance.
- (b) Ninety days after notice, in the event the owner has not contributed to the deficiencies. No surcharge shall be applied if the owner brings the dwelling into compliance within 90 days.

In the event the owner is not billed for the provision of gas service, no surcharges will be applied to the bills of the non-owner occupants of the dwelling. Instead, after notification to the owner that the dwelling is not in compliance, a surcharge will be billed to the owner. The surcharge will be 25 percent of the gas bills for the dwelling that is not in compliance.

In the event that circumstances prevent collecting the surcharge amount from the owner of the non-complying dwelling, the Company may refuse future connections for service to new tenants in the dwelling until it is brought into compliance.

Furthermore, if the owner is an occupant of the dwelling, but is not billed for any gas service the surcharge will be imposed on the bill for service to the unit occupied by the owner.

GENERAL INFORMATION

10. CONDITIONS OF GAS SERVICE: (CONT'D)

H. Minimum Insulation Standards for the Provision of Gas: (Cont'd)

(11) Certificate of Compliance:

(a) New Dwellings Residential Construction:

Certificate of Compliance
New Residential Construction

The undersigned certified that the

_____ 1 or 2 family resident _____ multi-family resident at _____

(Location)

is or will be, not later than thirty (30) days after time of occupancy, in compliance with one of the following statute provisions (check one):

_____ Part 1:E101.6 New York State Energy Conservation
_____ Part 3 Construction Code
_____ Part 4
_____ Part 5

_____ Appendix A, Opinion 77-10, Minimum Insulation Standards, New York State Public Service Commission
(applies only to buildings on which construction began between April 1, 1977 and January 1, 1979).

It is understood that gas service will, depending on the applicable circumstances, not be connected, be subject to a twenty-five percent (25%) surcharge on the utility bill until all violations are eliminated, or be disconnected, if, upon inspection the structure is found not to be in compliance with the conditions set forth above.

The undersigned certified that a properly executed copy of this certificate will be delivered to the owner prior to closing and further attests that all statements and representations contained in this certificate are true and accurate.

Date

Signature of Builder or Contractor

GENERAL INFORMATION

10. CONDITIONS OF GAS SERVICE: (CONT'D)

H. Minimum Insulation Standards for the Provisions of Gas: (Cont'd)

(11) Certificate of Compliance: (Cont'd)

(b) Dwellings Converting to Gas Space Heat:

Certificate of Compliance
Dwelling Converting to Gas Space Heat

1. I, _____, am aware that the Minimum Insulation
(Owner)
Standards for dwellings converting to gas space heat require my house to have storm doors, storm windows and at least
R-19 (usually six inches) roof insulation. I certify that my building at

(Location)
meets those requirements, or that I have obtained a waiver; and I understand that should my building be found not in
compliance, a twenty-five percent (25%) surcharge on my utility bill may be imposed or gas service may be
discontinued.

The undersigned attests that all statements and representations contained in this certificate are true and accurate.

Signature of Owner

Address

GENERAL INFORMATION

10. CONDITIONS OF GAS SERVICE: (CONT'D)

H. Minimum Insulation Standards for the Provision of Gas: (Cont'd)

(11) Certificate of Compliance: (Cont'd)

(b) Dwellings Converting to Gas Space Heat: (Cont'd)

Certificate of Compliance
Dwelling Converting to Gas Space Heat

2. I have inspected the building at _____
(Location)
by _____ and certify that it meets the
(Owner)
requirements of the Minimum Insulation Standards for dwellings converting to gas space heat.

The undersigned certifies that a properly executed copy of this certificate will be delivered to the owner and further attests that all statements and representations contained in this certificate are true and accurate.

Date

Signature of Contractor or
Utility Representative

I. Dual Fuel Requirement:

- (1) To obtain gas hereunder, a new customer whose total use will be 50,000 Dth or more per year, shall install and shall thereafter maintain full capability to use an alternate form of energy in lieu of gas for all purposes for which the new gas obtained hereunder is to be used.
- (2) To obtain gas hereunder, any existing customer who requests additional service that would bring that customer's total usage to 50,000 Dth or more per year, shall install and shall thereafter maintain full capability to use an alternate form of energy in lieu of gas for all purposes for which the additional gas hereunder is to be used.

GENERAL INFORMATION

10. CONDITIONS OF GAS SERVICE: (CONT'D)

I. Dual Fuel Requirement: (Cont'd)

- (3) Existing firm customers whose total existing usage is 50,000 Dth or more per year that have heretofore obtained any gas service for which maintenance of dual fuel capability was a condition under this Section or any previously filed Section of this Schedule shall be required as a condition of continued service to maintain dual fuel capability.
- (4) Notwithstanding the provisions of Sections 10.I.(1) and 10.I.(2) of this Schedule, application may be made but firm gas shall not be furnished under this section to any applicant without the approval of the Company after a review of the Company's supply and load situation and approval by the PSC, if such applicant's new or additional firm annual gas usage will be more than 100,000 Dth.

J. Exceptions:

Notwithstanding all of the foregoing provisions of this Rule 10, the Company may, at any time, refuse to accept additional applications for new or additional gas service if, in its sole discretion, the Company believes that its supply and load circumstances are such that it cannot provide additional service without jeopardizing its already attached customers; provided, however, that the Company shall promptly advise the Public Service Commission of any such refusal, and the Public Service Commission shall have the right to require that the Company resume acceptance of some or all applications for service.

No applicant may rely on obtaining new or additional gas service unless and until the Customer's application is accepted by the Company. The applicant's priority eligibility for service shall be based upon the date the Company receives the Customer's application for gas service. Unless otherwise specified in the Company's acceptance of an application, such acceptance shall only be binding upon the Company if the applicant is actually ready to take the new or additional gas service within 180 days after the date of such acceptance.