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New York State Electric and Gas Corporation
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GENERAL INFORMATION

8. INTERRUPTION AND CURTAILMENT (continued) A. Discontinuance or Curtailment of Gas Service (continued)

(6) Compensation for Diverted Gas

Compensation for the diverted gas will be set at the market price in effect during the time of the curtailment, unless it can be demonstrated with adequate support that a contract calls for a higher price. The market price during curtailment is defined for respective pooling areas for over deliveries in Section 4.G.(2)(a) of this Schedule plus pipeline demand charges at 100% load factor.

(7) General Curtailment Procedures

In the event of interruption or a force majeure curtailment situation due to a supply deficiency, the needs of core customers will 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 will 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. The Company will exercise sound operational discretion, using these General Curtailment Procedures as Guideline.

- (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.
- (b) Contact dual-fuel customers and instruct them to switch to an alternate fuel (excluding plant protection.) These customers will be asked to maintain their incoming gas supplies which will 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.

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Issued By: James A. Lahtinen, Vice President Rates and Regulatory Economics, Rochester, New York