Status: CANCELLED Received: 10/01/2007 Effective Date: 11/01/2007

PSC NO: 88 GAS

NEW YORK STATE ELECTRIC & GAS CORPORATION

Initial Effective Date: 11/01/07

Leaf No. 120

Revision: 1

Superseding Revision: 0

SERVICE CLASSIFICATION NO. 18

DOMINION CITYGATE SWING CUSTOMER BALANCING SERVICE (CONT'D)

CONDITIONS OF SERVICE (CONT'D.):

3. Capacity Requirements

The Aggregation Pool Operator is responsible for planning a gas supply sufficient for the needs of the Customers in its Aggregation Pool and for the transportation and storage capacity required to deliver it to the Company's system.

a) Capacity to Be Released

The Company will release capacity on DTI to Aggregation Pool Operators participating in this CSC Balancing Service, on behalf of customers in a prearranged release transaction at Maximum Demand Rates in accordance with the tariffs and/or agreements applicable to the released capacity provisions of the DTI FERC tariff. The capacity to be released by NYSEG will include storage capacity and associated transportation entitlements on the DTI system. The total capacity available for release will be sufficient to meet the design day load, as adjusted for reliability capacity requirements, (as specified in General Information Section 18 of this Schedule and pursuant to the Company's Phase 2A Joint Proposal as approved by the PSC in its September 23, 2003 Order issued in Case 01-G-1668), of all customers of the Aggregation Pool Operator eligible for service under this service classification.. References to "release" of capacity are intended to include all transfers to Aggregation Pool Operators of rights and obligations pertaining to capacity held by the Company, unless the context requires otherwise.

Aggregation Pool Operators must take a release of the Company's capacity for customers that migrate to or initiate service under this service classification after April 1 during the remainder of the annual period.

The Aggregation Pool Operator must maintain, as determined by the Company, sufficient DTI storage and associated transportation capacity entitlements under the CSC Balancing Service to cover the imbalance between the amount of gas nominated and delivered to the Company's system on a scheduled basis, and the estimated total usage for the customers in the Aggregation Pool multiplied by the factor of adjustment, as stated in Section 14 of PSC No. 90 Gas, on a daily basis.

Issued in compliance order in Case 07-G-0299 dated August 30, 2007