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 ..TXT: PSC NO: 88 GAS LEAF: 50.1.1
 COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 0
 INITIAL EFFECTIVE DATE: 04/13/00 SUPERSEDING REVISION:
 STAMPS: Issued in compliance with commission order in case 97-G-1380 dated 12/
 RECEIVED: 04/12/00 STATUS: Effective EFFECTIVE: 04/13/00

GENERAL INFORMATION

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

D. Charges and Penalties (Cont'd)

- (b) The Non-Performance provisions of General Information Section 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 Section 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 Section 4.G.
- (3) Pool Operator(s)/Aggregation Pool Operator(s) will 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

- (1) Applicable to each Marketer selling natural gas to retail Customers, retail Customers procuring their own energy supplies (Direct Customers), and Pool Operators/Aggregation Pool Operators.
- (a) No security is required from the Marketer/Pool Operator/Aggregation Pool Operator to the extent the Company bills Customers on behalf of the Marketer/Pool Operator/Aggregation Pool Operator. In such instances, the Company will have the right to retain funds collected from the Customer to off-set charges due the Company from the Marketer/Pool Operator/Aggregation Pool Operator.
 - (b) A Marketer's/Pool Operator's/Aggregation Pool Operator's/Direct Customer's participation pursuant to this Schedule is contingent upon the Marketer/Pool Operator/Aggregation Pool Operator/Direct Customer satisfying a credit appraisal based on independent bond/credit ratings and supplying any security that may be found necessary to meet the Company's credit requirements.

Issued By: George E. Bonner, Vice President - Gas Operations & Marketing, Binghamton, NY

(Name of Officer, Title, Address)