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COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 1
INITIAL EFFECTIVE DATE: 09/01/98 SUPERSEDING REVISION: 0
STAMPS:
Cancelled by 2 Rev. Leaf No. 12 Effective 04/01/1999
RECEIVED: 05/28/98 STATUS: Cancelled EFFECTIVE: 09/01/98

GENERAL INFORMATION

4. BALANCING RECEIPTS AND DELIVERIES: (CONT'D)

D. Cancellation of Service Agreement:

In the event a service agreement is cancelled, any existing imbalance quantities will be reconciled using the methodology stated in General Information Sections 4.C.(1)(a) and 4.C.(1)(b) of this Schedule.

E. Company's Obligation to Deliver:

In no event will 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 will be cashed-out as set forth in General Information Section 4.A. of this Schedule, plus \$15.00 per Dth.

F. End of Month Imbalance Trading for Daily and Monthly Balanced Pools:

Imbalance Trading will be allowed provided the following conditions are met:

- (1) Such trading can be physically accommodated without creating undue operational or billing problems.
- (2) Imbalance Trading must be within a single Pooling Area but is allowed between daily and monthly Pools.
- (3) All Imbalance Trading must be completed by 4:00 PM Eastern Time on the second business day following the Company's posting of imbalance summaries and the Index Price tiers.
- (4) Customer imbalances which remain after Imbalance Trading will be subject to the cash-out provisions set forth in General Information Sections 4.B. and 4.C. of this Schedule.
- (5) All imbalance trades will be subject to a \$5.00 transaction fee per party per trade.
- (6) No trading to move from a positive imbalance to a negative imbalance or a negative imbalance to a positive imbalance position will be allowed.

Issued By: George E. Bonner, Vice President - Gas Operations & Marketing, Binghamton, NY
(Name of Officer, Title, Address)