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 ..TXT: PSC NO: 88 GAS LEAF: 50.2
 COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 1
 INITIAL EFFECTIVE DATE: 10/01/99 SUPERSEDING REVISION: 0
 STAMPS: Issued in compliance with Commission order in case 98-M-1343 dated 09/
 RECEIVED: 09/30/99 STATUS: Effective EFFECTIVE: 10/01/99

GENERAL INFORMATION

22. CREDITWORTHINESS: (CONT'D)

B. Creditworthiness Determinants (Cont'd)

- (2) The Company has the option to require a Marketer/Pool Operator/Aggregation Pool Operator having the Minimum Rating to post security:
- (a) for the amount by which the Company's credit exposure for any Marketer/Pool Operator/Aggregation Pool Operator exceeds 5% of the Company's applicable revenues for the applicable time period; or
 - (b) for the full amount of the credit exposure if the Marketer/Pool Operator/Aggregation Pool Operator or its guarantor is at the Minimum Rating and is placed on credit watch with negative implications by any of the three designated rating agencies or the Company receives information that indicates that the Marketer's/Pool Operator's/Aggregation Pool Operator's or its guarantor's credit rating could be downgraded below the Minimum Rating. If the Marketer's/Pool Operator's/Aggregation Pool Operator's or its guarantor's credit rating is not downgraded in the ensuing sixty (60) days the security requirement will be lifted, or
 - (c) for a Marketer/Pool Operator/Aggregation Pool Operator that has failed to render timely payments to the Company and its credit rating is less than "BBB" by S&P.
- (3) A Marketer/Pool Operator/Aggregation Pool Operator having a minimum "1A2" rating from Dun & Bradstreet coupled with twenty-four (24) months good payment history will satisfy the Company's credit requirement, but unsecured credit will be limited as indicated below:

<u>Rating</u>	<u>Unsecured Credit</u>
4A1 or 4A2	Thirty percent (30%) of a Marketer's/Pool Operator's/Aggregation Pool Operator's equity, up to five percent (5%) of the Company's applicable revenues for the applicable time period.

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

(Name of Officer, Title, Address)