..DID: 9992
..TXT: PSC NO: 88 GAS   LEAF: 50.7
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)

F. Lockbox Mechanism (Cont'd)

(5) The Company, after petition to the PSC, is permitted to terminate the lockbox and request full security if expected Customer payments are not received in a timely manner.

G. Calling on Security

(1) The Company may call upon the security posted by the Marketer/Pool Operator/Aggregation Pool Operator /Direct Customer after providing five (5) calendar days notice to the Marketer/Pool Operator/Aggregation Pool Operator/Direct Customer if the Marketer/Pool Operator/Aggregation Pool Operator /Direct Customer fails to pay the Company on a timely basis, unless the Marketer/Pool Operator/Aggregation Pool Operator /Direct Customer makes payment in full within the five (5) calendar day notice period.

(2) The Company may call upon the security posted by the Marketer/Pool Operator/Aggregation Pool Operator/Direct Customer without prior notice:

(a) if the Marketer/Pool Operator/Aggregation Pool Operator /Direct Customer files a petition in bankruptcy (or equivalent, including the filing of an involuntary petition in bankruptcy against the Marketer/Pool Operator/Aggregation Pool Operator/Direct Customer); or

(b) if the Marketer/Pool Operator/Aggregation Pool Operator ceases service to its customers.

(3) The Marketer/Pool Operator/Aggregation Pool Operator must replenish or reinstate the required security within five (5) calendar days where

(a) the Marketer's/Pool Operator's/Aggregation Pool Operator's credit rating or security is no longer adequate regarding the Company's credit requirements, and/or

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