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COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 0
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GENERAL INFORMATION

20. REQUIREMENTS OF NON-UTILITY SUPPLIERS OF GAS: (CONT'D)

D. Conditions of Non-Residential Aggregation Transportation Service (Cont'd)

2. A reasonable dispute resolution process is established. Until such time as a process is developed and put into effect, and at no time after October 31, 1996, customers will be allowed to approach the PSC for resolution of disputes.

21. OPERATIONAL FLOW ORDERS (OFOs):

The Company, at its sole discretion, shall have the right to issue Operational Flow Orders (OFOs) to transportation customers, third party suppliers of gas, and aggregation pool operators. Such OFOs may be issued: (a) to alleviate conditions which threaten the integrity of the Company's system; and (b) to avoid costs or penalties associated with transportation customers' excess imbalances.

The Company shall notify all parties twenty-four (24) hours prior to invoking an OFO via posting on the bulletin board, telephone, facsimile, or letter.

The Company shall issue an OFO as localized as is reasonably practicable based on the Company's good faith and reasonable judgement concerning the situations requiring remediation such that an OFO will be directed: (a) first to OFO recipients causing the problem necessitating the OFO or transporting gas in the area of the system in which there is an operational problem; and (b) second to those OFO recipients transporting gas in the area of the system where action is required to correct the problem.

Operation Flow Orders may take the following forms:

- A. Limitation of all transporters to deliver to specific points.
- B. Directing a transporter to correct imbalances or operate within the limitations on transportation as set forth in the Customer's Transportation Service Agreement or applicable rate Schedule.
- C. Directing a change in daily nominations for aggregators who operate monthly metered pools.

OFO recipients who fail to comply with the OFO shall be subject to charges as provided in the General Information Section 10., and the non-performance provisions of Section 20.B. of this Schedule and/or the Customer's applicable rate Schedule.

Issued By: Michael I. German, Senior Vice President, Binghamton, New York
(Name of Officer, Title, Address)