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..TXT: PSC NO: 88 GAS LEAF: 85  
COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 0  
INITIAL EFFECTIVE DATE: 03/07/97 SUPERSEDING REVISION:  
STAMPS:  
RECEIVED: 12/23/96 STATUS: Effective EFFECTIVE: 03/07/97

**SERVICE CLASSIFICATION NO. 8 (CONT'D)**

**FIRM OR RECALLABLE CAPACITY ASSIGNMENT (CONT'D)**

**SPECIAL PROVISIONS: (CONT'D)**

4. First Assignee, and/or any subsequent assignees or their principals, shall be responsible to balance and correct all imbalances incurred as a result of any assignment of services.
5. First Assignee warrants that it, and/or any subsequent assignees or their principals, will have good title to all gas delivered to Assignor hereunder, free and clear of all liens, encumbrances, and adverse claims whatsoever, and free of any claim rightful or otherwise, of any third person by way of infringement, including but not limited to, liens to server payment of landowners. First Assignee will indemnify Assignor and hold Assignor harmless against any loss or cost incurred by Assignor on account of such liens, encumbrances, and claims.
- H. The Assignor and First Assignee shall comply with all applicable terms and conditions of the order(s) of any governmental and/or regulatory authorities having jurisdiction over such transactions for authorizing this assignment of services, including all necessary reporting requirements.
- I. The Assignor has the unilateral authority to terminate any assignment of services with First Assignee, or any subsequent assignees, that it deems inappropriate and/or could subject Assignor to imbalance or scheduling penalties without any liability to Assignor.
- J. In no event shall any contractual provisions of any assignment of services with First Assignee, or any subsequent assignees, be changed without written consent of Assignor. Contractual provisions, must include, but are not limited to, primary receipt points, quantities, delivery points, and term of contract.
- K. Customers, other parties or their agents will be responsible for arranging supplies in the amount necessary to cover their respective nominations, as well as such upstream and/or downstream transportation as may be required. In the event that supply and/or transport arrangements for such customers cannot be confirmed by the pipeline, then the assignment may be terminated. Provided however, in the event the capacity assignment is billed utilizing a two-part price the demand portion will remain payable.
- L. If Assignor reserves capacity for assignment to customers who are billed a volumetric one-part blended price, and capacity is not used within three (3) days of the initial effective date of the assignment, the assignment will be terminated.

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