..DID: 21535 ..TXT: PSC NO: 88 GAS LEAF: 12.2 COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 5 INITIAL EFFECTIVE DATE: 02/01/03 SUPERSEDING REVISION: 4 STAMPS: Issued in compliance with Commission order in Case 01-G-1668 dated 11/ RECEIVED: 01/30/03 STATUS: Effective EFFECTIVE: 02/01/03

GENERAL INFORMATION

4. DAILY METERED TRANSPORTATION REQUIREMENTS: (CONT'D)

P. Upstream Capacity Requirements: (Cont'd)

A Core Customer or its Marketer shall be required to demonstrate through an affidavit signed by an officer of its company, that it has and will continue to have,(1) non-recallable firm primary point deliverability on an Upstream Pipeline(s) at the Receipt Point(s) designated by the Company or (2)Company recallable firm primary point deliverability on an Upstream Pipeline(s) at the Receipt Point(s) designated by the Company or Found (s) designated by the Company. The Upstream Capacity must be capable of fully meeting expected daily and seasonal requirements; recognizing that the capacity requirements are generally less in summer and transition months (April - October) than during winter months (November - March).

If a Core Customer or its Marketer cannot make the demonstration detailed above, the Customer must elect reservation of the "Sales Customer" status or Standby Sales Service for a one year period. After the conclusion of the one year period, the Customer may be designated as not wishing to reserve their "Sales Customer" status, or terminate their election of Standby Sales Service, provided the requirements set forth above have been satisfied.

Q. Capacity Assignment:

Any Customer in Cattaraugus County (also referred to as "Olean"), requesting firm transportation service under this Schedule, who was a firm sales customer on or after November 2, 1995, shall take an assignment of upstream pipeline transportation capacity at the Company's contracted rate, effective with this provision. The quantity of upstream pipeline transportation capacity assigned shall be sufficient to meet the Customer's estimated Maximum Daily Transportation Quantity (MDTQ), based on the Company's design day criteria. At the Customer's request, capacity may be directly assigned to the Customer's Marketer.