

..DID: 7172
..TXT: PSC NO: 88 GAS LEAF: 10
COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 3
INITIAL EFFECTIVE DATE: 04/01/99 SUPERSEDING REVISION: 2
STAMPS:
RECEIVED: 01/29/99 STATUS: Effective EFFECTIVE: 04/01/99

GENERAL INFORMATION

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

G. Daily Balancing for Daily Balanced Pools: (Cont'd)

Positive Daily Imbalances: (Cont'd)

- (1) Excess gas delivered to the city gate will be purchased from the Pool Operator at the following rates: eighty percent (80%) of the Minimum Daily Gas Index per therm for all quantities between ten percent (10%) and fifteen percent (15%) deviation, plus seventy percent (70%) of the Minimum Daily Gas Index per therm for all quantities between fifteen percent (15%) and twenty percent (20%) deviation, plus sixty percent (60%) of the Minimum Daily Gas Index per therm for all quantities in excess of twenty percent (20%) deviation from nomination, plus;
- (2) For each therm, the Pool Operator will pay for the variable cost of pipeline storage injections as set forth in each applicable pipeline's FERC tariff, for gas subject to the cash-out which has been over-delivered.

H. End of Month Cashout For Daily Balanced Pools:

Each month, a Daily Balanced Pool shall be subject to the following end of month cashout:

- (1) Prior to being cashed-out, all Pool Operators of Daily Balanced Pools shall be allowed to trade any cumulative monthly imbalances subject to the conditions of General Information Section 4.L. of this schedule.
- (2) Any cumulative monthly imbalance which has not been subject to the daily cash-out and which exists after Imbalance Trading within the same Pooling Area (if any), shall be subject to an end of month cash-out as follows:
 - (a) A negative monthly imbalance exists when the Pool has consumption greater than that Pool's deliveries of gas to the Company in the Pooling Area. For negative imbalance cash-outs, the Pool Operator shall pay:

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(Name of Officer, Title, Address)