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COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 5

INITIAL EFFECTIVE DATE: 09/01/99 SUPERSEDING REVISION: 4

STAMPS: Issued in compliance with commission order in case 97-G-1380 dated 08/

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GENERAL INFORMATION

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

M. Billing of Imbalance Charges:

All Pool Operators assume the imbalances of all Customers within their specified Pools. The Pool Operator will be billed all costs associated with Imbalances and Imbalance Trading.

N. Billing and Payment:

All bills are rendered at the "unit prices" stated in this Schedule, and that amount is due on bills paid on or before the "past due" date indicated on the bill. Marketers/Pool Operators/Direct Customers will be billed in accordance with Section 24 of this Schedule. All other Customers will be billed in accordance with Section of PSC No. 90 Gas, or superseding issues thereof.

O. Alternate Fuel Facilities:

Where service provided hereunder is subject to the Customer maintaining alternate fuel facilities, the Company reserves the right to conduct an on-site inspection of such facilities at any time to determine whether the facilities are properly installed, maintained, functioning and capable of serving the Customer's energy requirements at a level equivalent to the natural gas delivered hereunder, or as specified in the Customer's Transportation Service Agreement.

P. Upstream Capacity Requirements:

This section is applicable to: (1) all Core Customers initiating service on or after November 2, 1995; and (2) all Critical Care Customers regardless of service date.

A Core Customer or its Marketer shall be required to demonstrate on an annual basis, through an affidavit signed by an officer of its company, that it has and will continue to have, non-recallable firm primary point deliverability on an Upstream Pipeline(s) at the Receipt Point(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).

Issued By: George E. Bonner, Vice President - Gas Operations & Marketing, Binghamton, NY