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New York State Electric and Gas Corporation
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GENERAL INFORMATION

8. INTERRUPTION AND CURTAILMENT (continued) A. Discontinuance or Curtailment of Gas Service (continued)

(3) Gas Requirements during a Curtailment

During a period of curtailment, ESCOs and Direct Customers may be required to maintain city gate deliveries of gas at the direction of the Company, subject to qualified upstream force majeure interruptions or curtailment preventing their ability to secure and deliver such supplies. The Company may request the ESCO to deliver up to and including proven primary point capacity requirements. Such delivery requirements may apply whether the ESCO's customer(s) is curtailed or not.

It will be the Company's option to purchase curtailed supplies in excess of plant protection requirements. Supplies will be delivered by ESCOs at a mutually agreeable NYSEG city gate or upstream point. The Company may divert gas at the city gate, from an ESCO or Direct Customer, to serve higher priority customers. In the event of a redirection of supplies under this provision, the ESCO or Direct Customer whose gas is diverted in such instances shall be compensated.

(4) ESCO and Direct Customer Compliance

ESCOs and Direct Customers are required to comply with the requirements of the curtailment. Failure of the Company to adhere to one or more of the curtailment criteria is not a basis for non-compliance. If, during the curtailment period, the Company is aware of ESCOs or Direct Customers that are not responding to required actions, all reasonable efforts will be made to inform the non-responding party. Lack of such notification will not relieve any party of its obligations.

(5) Penalties

Any ESCO or customer who fails to comply with the Company's curtailment instructions may be charged a penalty the greater of: (a) \$2.50 per therm, or (b) three times the market price on use above the customer's allowed curtailment amount. The market price during a curtailment is defined for respective pooling areas for under deliveries as defined in Section 4.G.(2)(a) of this Schedule.

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