

PSC NO: 88 Gas
NEW YORK STATE ELECTRIC & GAS CORPORATION
Initial Effective Date: 11/01/07

Leaf: 50.1.1
Revision: 3
Superseding Revision: 2

GENERAL INFORMATION

21. SYSTEM ALERTS (SAs) AND OPERATIONAL FLOW ORDERS (OFOS): (CONT'D)

D. Charges and Penalties (Cont'd)

- (b) The Non-Performance provisions of General Information Section 20.A. of this Schedule; and
 - (c) A penalty of \$2.50 per therm for all quantities determined to be in non-compliance with the OFO requirements.
- (2) During an OFO, General Information Section 4.G. tolerances shall be adjusted in a manner such that all quantities between the OFO stated tolerance level and 15% shall be assessed the same cash out charges as are now applicable to quantities between 10% and 15% deviation. Quantities exceeding 15% deviation shall continue to be cashed out in accordance with General Information Section 4.G.
- (a) If, during an OFO, the ESCO has been notified by the Company of a curtailment, the customer(s) of the ESCO shall be curtailed. The ESCO must continue to deliver gas for the customer(s) to the city gate in accordance with Section 8 of this Schedule.
 - (b) Daily imbalances shall be cashed out as follows:
 - (ii) Deficiency imbalances shall be cashed out by calculating the higher of: (a) \$2.50 per therm, or (b) three times the Daily Cashout Price to determine the charge for under deliveries. 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.
 - (ii) Surplus imbalances shall be cashed out by calculating the over delivery for the respective pooling area as defined in Section 4.G.2.(a) of this Schedule plus pipeline demand charges at 100% load factor.
- (3) Pool Operator(s)/Aggregation Pool Operator(s) will not be subject to the penalty provisions if their behavior provides relief for the operational problem for which the OFO was issued and the Company authorizes the behavior.

22. CREDITWORTHINESS:

A. Applicability: See UBP Addendum

The credit worthiness rules in accordance with the UBP Addendum will apply.

B. Financial Information

The Company may seek financial information from /ESCO/Pool Operator/Aggregation Pool Operator for the sole purpose of verifying financial information reported by Dunn & Bradstreet. amount set forth in UBP Addendum Section 3.D.3

Issued in compliance with order in Case 06-G-0059 dated August 23, 2007

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