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PSC NO. 88 Gas

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NEW YORK STATE ELECTRIC & GAS CORPORATION

Initial Effective Date: 10/01/03

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GENERAL INFORMATION

5. NON-DAILY METERED GAS TRANSPORTATION REQUIREMENTS: (CONT'D)

H. 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.

I. Upstream Capacity Requirements:

The Marketer of a Core Customer/Critical Care Customer 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 under contract (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. 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), as detailed below.

- (1) Aggregation Pool Operators will be required to demonstrate primary point capacity sufficient to meet 66 Heating Degree Days (HDD) of load.
- (2) If a Core Customer's/Critical Care Customer's Marketer cannot make the demonstration detailed above, the Customer must elect reservation of the "Sales Customer" status for a one year period if the Company has sufficient capacity available to offer such service. After the conclusion of the one year period, the Customer may be designated as not wishing to reserve their "Sales Customer" status, provided the requirements set forth above have been satisfied.

Issued in compliance with order in Case 01-G-1668 dated September 23, 2003.

Issued by: James A. Lahtinen, Vice President - Rates & Regulatory Economics, Binghamton, NY