Status: CANCELLED Received: 02/27/2004 Effective Date: 03/01/2004

PSC NO: 88 GAS

NEW YORK STATE ELECTRIC & GAS CORPORATION

Initial Effective Date: March 1, 2004

Leaf No. 38

Revision: 2

Superseding Revision: 1

GENERAL INFORMATION

18. DOMINION CITYGATE SWING CUSTOMER BALANCING SERVICE NON-DAILY METERED TRANSPORTATION REQUIREMENTS:

A. Service:

Commencing October 19, 1984 and continuing thereafter until further order of the PSC, new gas customers will be connected and increased gas will be supplied to existing customers in accordance with Section 10 of PSC No. 90 Gas, or superseding issues thereof.

Except as otherwise specified in this Schedule, service provided hereunder is in accordance with the applicable provisions of PSC No. 90 Gas, or superseding issues thereof.

B. Incremental Facilities:

Customers shall be responsible for the acquisition of any property rights necessary to accommodate the construction and installation of facilities which may be required for the receipt, delivery or metering of natural gas delivered hereunder into the Company's pipeline system. The Company shall be reimbursed by the Customer for any costs incurred in the construction and installation of the required receipt or delivery facilities, including, but not limited to, the costs of labor, materials and customary overheads. Information regarding metering options is set forth in the Gas Transportation Operating Procedures Manual.

C. Nomination and Scheduling:

Aggregation Pool Operators serving non-daily metered customers in the Dominion Transmission, Incorporated (DTI) Pooling Area may dect to take service under NYSEG's Dominion Citygate Swing Customer Balancing Service, (also referred to herein as "CSC Balancing" or "CSC Balancing Service"), as described in the Company's Service Classification No. 18 of this Schedule.

Aggregation Pool Operators shall be responsible for providing nominations and scheduling to DTI, on behalf of the Aggregation Pool Operators' customers, as set forth below. Generally, a Customer's Marketer is also the Aggregation Pool Operator. An Aggregation Pool Operator may have only one (1) Aggregation Pool per Aggregation Pooling Area, subject to the operational limitations of the Company's system.

(1) The Company shall provide to the Aggregation Pool Operator the estimated total usage for each Aggregation Pool for each Day using a consumption algorithm based on the degree day forecast for that Day. The maximum heating degree days ("HDD") to be used in determining the estimated total usage will be based on a typical peak day, initially set at sixty-six (66). The Company will provide this estimate for advisory purposes only and makes no warranty, expressed or implied, as to the accuracy of the estimated total usage. The Aggregation Pool Operator is solely responsible for determining the amount of gas to be delivered to the Company's citygate. Aggregation Pool requirements for degree days exceeding the typical peak day will be supplied by the Company. Aggregation Pool requirements supplied by the Company will be reconciled consistent with Section 18.D.(1) below.

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