

PSC NO: 88 GAS
NEW YORK STATE ELECTRIC & GAS CORPORATION
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GENERAL INFORMATION

18. DOMINION CITYGATE SWING CUSTOMER BALANCING SERVICE NON-DAILY METERED TRANSPORTATION REQUIREMENTS: (Cont'd)

I. Upstream Capacity Requirements:

The Aggregation Pool Operator 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, 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) The mix of transportation and storage assets allocated shall provide for the Company's operational distribution system requirements, including but not limited to, maintaining the appropriate ratio of storage supply to flowing supply and reliability capacity.
- (3) If an Aggregation Pool Operator cannot make the demonstration detailed above, such Aggregation Pool Operator is not eligible for the CSC Balancing Service.

J. Capacity Surcharges

Aggregation Pool Operators of CSC Balancing non-daily metered transportation customers in the Company's Mechanicville District shall be assessed a capacity surcharge. The capacity surcharge will reflect the costs incurred by the Company to transport Customers supplies on intermediary local distribution companies and intrastate pipelines.

K. Capacity Assignment

Aggregation Pool Operators intending to participate in the CSC Balancing Service must notify NYSEG's Gas Supplier Services department no later than March 1 of each year. Aggregation Pool Operators may voluntarily take assignment of the Company's available storage capacity and transportation entitlements on the DTI system.

Capacity shall be assigned to the Aggregation Pool Operator to achieve minimal impact on remaining NYSEG sales Customers. Such assignments shall be made on a monthly basis and available through March 31 of each annual period (i.e., April 1 - March 31). The capacity assigned shall be recallable pursuant to the conditions specified in Service Classification No. 18, Conditions of Service, Section 3.d), Recall of Capacity Entitlements.

- L. The Gas Cost Savings Investment Recovery Mechanism (IRM) will be applicable to any Aggregation Pool Operator using IRM Project facilities in a manner consistent with the provisions contained in the Company's September 12, 2002 Gas Joint Proposal as approved by the PSC in its November 20, 2002 Order in Cases 01-G-1668 and 01-G-1683.

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

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