

PSC NO: 88 GAS
NEW YORK STATE ELECTRIC & GAS CORPORATION
Initial Effective Date: 02/21/04

Leaf No. 13.3
Revision: 4
Superseding Revision: 3

GENERAL INFORMATION

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

D. Balancing of Receipts and Deliveries: (Cont'd)

(3) Reconciliation of Volumes:

Twice a year, volumes received by the Company on a Customer's behalf, based on the DAV, will be reconciled to volumes actually delivered by the Company to the Customer (i.e., on-system balancing). This reconciliation will occur twice each year, for the periods described in (a) and (b) below, for each customer, and will be based on a Customer's actual scheduled meter read in October/November and April/May, or as otherwise performed pursuant to Section 8.J. of PSC No. 90 Gas, or superseding issues thereof. Aggregation Pool Operators, within a single Pooling Area, will be able to trade any imbalances prior to cash-out.

For the reconciliation, the Company will compare the amount of forecasted gas usage, based on the consumption algorithm and heating degree-day values used to establish the DAV, and the actual consumption for the period.

- (a) For underdeliveries (i.e., negative Imbalances), the Company shall charge the Customer's Aggregation Pool Operator as follows:

October/November Reconciliation - The product of the average of the end of month cash-out prices, as calculated in Section 4.H.(2), for the Months of April through September, per therm, and the reconciliation volume.

April/May Reconciliation - The product of the average of the end of month cash-out prices, as calculated in Section 4.H.(2), for the Months of October through March, per therm, and the reconciliation volume.

- (b) For overdeliveries (i.e., positive Imbalances), the Company shall pay Customer's Aggregation Pool Operator as follows:

October/November Reconciliation - The product of the average of the end of month cash out prices, as calculated in Section 4.H.(2), for the Months of April through September, per therm, and the reconciliation volume.

April/May Reconciliation - The product of the average of the end of month cash-out prices, as calculated in Section 4.H.(2), for the Months of October through March, per therm, and the reconciliation volume.

- (c) This reconciliation will account for quantities supplied by the Company pursuant to Section 5.C.(1).

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

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