

PSC No: 88 - Gas
New York State Electric and Gas Corporation
Initial Effective Date: January 1, 2004

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Revision: 1
Superseding Revision: 0

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.
 - (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.

22. CREDITWORTHINESS:

A. Applicability

- (1) Applicable to each Marketer selling natural gas to retail Customers, retail Customers procuring their own energy supplies (Direct Customers), and Pool Operators/Aggregation Pool Operators.
 - (a) No security is required from the Marketer/Pool Operator/Aggregation Pool Operator to the extent the Company bills Customers on behalf of the Marketer/Pool Operator/Aggregation Pool Operator. In such instances, the Company will have the right to retain funds collected from the Customer to off-set charges due the Company from the Marketer/Pool Operator/Aggregation Pool Operator.
 - (b) A Marketer's/Pool Operator's/Aggregation Pool Operator's/Direct Customer's participation pursuant to this Schedule is contingent upon the Marketer/Pool Operator/Aggregation Pool Operator/Direct Customer satisfying a credit appraisal based on independent bond/credit ratings and supplying any security that may be found necessary to meet the Company's credit requirements.

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

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