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GENERAL INFORMATION

21. SYSTEM ALERTS (SAs) AND OPERATIONAL FLOW ORDERS (OFOS): (CONT'D)

C. Implementation

- (1) The Company shall issue a SA or OFO as localized as is reasonably practicable based on the Company's good faith and reasonable judgement concerning the situations requiring remediation such that a SA or OFO will be directed:
 - (a) first to Pool Operator(s) and Aggregation Pool Operator(s) causing the operational problem necessitating the SA or OFO, or to the Pool Operator(s) and Aggregation Pool Operator(s) in the Pooling Area in which there is an operational problem necessitating the SA or OFO; and
 - (b) second to Pool Operator(s) and Aggregation Pool Operator(s) in a Pooling Area of the system where action is required to correct the operational problem.
- (2) System Alerts or Operation Flow Orders may take, but are not limited to the following forms:
 - (a) Limitation on Pool Operator(s)/Aggregation Pool Operator(s) to deliver to specific points, as determined by the Company.
 - (b) Directing a Pool Operator to correct Imbalances or operate within specified tolerance levels of +2% for positive imbalances or -2% for negative imbalances on an hourly and/or daily basis, as determined by the Company. The Company will use best efforts to limit initial tolerance reductions to +5% for positive imbalances or -5% for negative imbalances on an hourly and/or daily basis. However, the Company may immediately reduce tolerance levels to +2% for positive imbalances or -2% for negative imbalances on an hourly and/or daily basis if such action is warranted to maintain the integrity of the system. The Company will not issue an OFO simultaneously for under deliveries and over deliveries.
- (3) Upon issuance of an OFO notice, the Company will make authorized personnel available on a twenty-four (24) hour basis to facilitate compliance by Pool Operators/Aggregation Pool Operators.
- (4) The Company's Gas Transportation Operating Procedures Manual contains the SA and OFO notification forms.

D. Charges and Penalties

- (1) Pool Operator(s) and Aggregation Pool Operator(s) who fail to comply with the OFO shall be subject to:
 - (a) Charges a provided in General Information Section 10 of this Schedule; and

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, New York