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GENERAL INFORMATION

4. DAILY METERED TRANSPORTATION REQUIREMENTS: (CONT'D)

P. Upstream Capacity Requirements: (Cont'd)

If the Customer or the Customer's Designated Agent has failed to deliver gas pursuant to an Operational Flow Order (OFO) as set forth in General Information Section 21 of this Schedule, the Company shall have the right to request and the Customer or their Designated Agent upon request, shall provide the Company, for its review, copies of all contracts intended to satisfy the requirements of this Section. By this review, the Company does not warrant the performance of any Designated Agent. If the Designated Agent cannot make the demonstration detailed above, then the Designated Agent will be considered in non-compliance with this section and subject to the provisions of General Information Section 20.B. of this Schedule.

If a Core Customer or its Designated Agent cannot make the demonstration detailed above, the Customer must elect reservation of the "Sales Customer" status or Standby Sales Service for that portion of their load for which sufficient non-recallable, firm primary point deliverability on an Upstream Pipeline(s) has not been demonstrated, for a minimum of one year. Upon satisfaction of the above stated requirements, the Customer may be designated as not wishing to reserve their "Sales Customer" status, or terminate their election of Standby Sales Service at the time of their next actual meter read.

Q. Capacity Assignment:

Any customer in Cattaraugus County (also referred to as "Olean"), requesting firm transportation service under this Schedule, who was a firm sales customer on or after November 2, 1995, shall take an assignment of upstream pipeline transportation capacity at the Company's contracted rate, effective with this provision. The quantity of upstream pipeline transportation capacity assigned shall be sufficient to meet the Customer's estimated Maximum Daily Transportation Quantity (MDTQ), based on the Company's design day criteria. At the Customer's request, capacity may be directly assigned to the Customer's Designated Agent.

Capacity shall be assigned to a transportation Customer or their Designated Agent to meet operational and reliability needs. Such assignments shall be for successive one (1) year terms. The capacity assignment shall be recallable under any of the following four conditions: (1) the Customer requests firm sales service from the Company; (2) the Customer ceases to be a customer of the Company; (3) the Customer switches to a new Designated Agent; or (4) the Customer's Designated Agent fails to perform.

Issued By: George E. Bonner, Vice President - Gas Operations & Marketing, Binghamton, NY
(Name of Officer, Title, Address)