..DID: 10008 ..TXT: PSC NO: 88 GAS LEAF: 12.2 COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 3 INITIAL EFFECTIVE DATE: 11/01/99 SUPERSEDING REVISION: 2 STAMPS: Issued in compliance with commission order in case 97-G-1380 dated 08/ Cancelled by 4 Rev. Leaf No. 12.2 Effective 06/01/2001 RECEIVED: 09/30/99 STATUS: Cancelled EFFECTIVE: 11/01/99

GENERAL INFORMATION

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

P. Upstream Capacity Requirements: (Cont'd)

A Marketer submitting an affidavit that is supported by capacity of the type described in (2) above will be required to take service under Service Classification No. 16, "Reliability Insurance Service", of this Schedule.

If a Core Customer or its Marketer cannot make the demonstration detailed above, the Customer must elect reservation of the "Sales Customer" status or Standby Sales Service for a minimum of one year. After the minimum term, 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, provided the requirements set forth above have been satisfied.

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 Marketer.

Capacity shall be assigned to a transportation Customer or their Marketer 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 Marketer; or (4) the Customer's Marketer fails to perform.