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COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 03/07/97 SUPERSEDING REVISION:
STAMPS:
Cancelled by 1 Rev. Leaf No. 12 Effective 09/01/1998
RECEIVED: 12/23/96 STATUS: Cancelled EFFECTIVE: 03/07/97

GENERAL INFORMATION

4. BALANCING RECEIPTS AND DELIVERIES OF CUSTOMER-OWNED GAS: (CONT'D)

B. Monthly Balancing For Daily Metered Customers (Cont'd)

Cancellation of Service Agreement:

In the event a service agreement is cancelled, the above balancing charges will be applied to any unused positive imbalance quantities remaining following the date of cancellation. In addition, the Company will purchase any unused positive imbalance quantities at the least cost gas supply (commodity or spot) for the respective rate area incurred by the Company for the month the positive imbalance occurred.

C. Company's Obligation to Deliver

All deliveries of prior period positive imbalances are made on an interruptible basis, and in no event will the Company be obligated to deliver a total quantity of gas in excess of the Customer's Maximum Daily Transportation Quantity.

D. Imbalance Trading

Imbalance Trading will be allowed provided the following conditions are met:

1. Such trading can be physically accommodated without creating undue operational or billing problems.
2. Five (5) business days advance written notice by all parties to potential trading transaction. Suppliers acting as agent on behalf of customers may give notice for their customers.
3. All Imbalance Trading must be completed within one (1) business day of the conclusion of the Gas Day to which the imbalance trades apply.
4. Customer imbalances which remain after Imbalance Trading will be subject to the cash-out provisions set forth in General Information Section 4.A. of this Schedule.

Issued By: Michael I. German, Senior Vice President, Binghamton, New York
(Name of Officer, Title, Address)