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COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 1
INITIAL EFFECTIVE DATE: 02/01/01 SUPERSEDING REVISION: 0
STAMPS:
CANCELLED by Supplement 9 effective 05/31/01
Suspended by order in Case 99-M-0631. See suppl. No. 8
RECEIVED: 10/30/00 STATUS: Cancelled EFFECTIVE: 06/01/01

GENERAL INFORMATION

22. CREDITWORTHINESS: (CONT'D)

C. Credit Exposure/Security Calculation

- (1) If the Marketer/Pool Operator/Aggregation Pool Operator meets the credit requirements in Section 22.B.(1) or 22.B.(2), or a Direct Customer receives a waiver as set forth in Section 22.E.(1) below, no security will be required. If the Marketer/Pool Operator/Aggregation Pool Operator does not meet the credit requirements in Section 22.B.(1) or 22.B.(2), or the requirements in Section 22.E.(1) cannot be met for Direct Customers, security in an amount equal to credit exposure may be sought and provided as set forth below.
- (2) The maximum security associated with natural gas balancing risk will be determined for each season. For purposes of this Section, Summer is defined as April 1 - October 31 and Winter is defined as November 1 - March 31.
- (3) The maximum security that may be requested is determined by:
 - (a) the maximum daily transportation quantity (MDTQ) of a Marketer's/Pool Operator's/Aggregation Pool Operator's customers' projected aggregate consumption (or the Direct Customer's projected consumption), based on the appropriate season of the past year; multiplied by
 - (b) the highest month's average daily closing NYMEX price, at the Henry Hub, plus upstream capacity charges to the city gate, for the appropriate season of the past year; multiplied by
 - (c) thirty (30) days.
- (4) The Marketer/Pool Operator/Aggregation Pool Operator may, at its discretion, elect to have the security determined annually. In such an instance, the required security will be based on the winter season.
- (5) Additional security, as set forth in Section 32.I. of this Schedule, will be required for an ESCO/Marketer rendering a Single/Consolidated Bill.

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