GENERAL INFORMATION

11. GAS RESTRICTIONS AND LIMITATIONS

11.1 RESTRICTIONS ON ATTACHMENTS OF NEW GAS CUSTOMERS AND SUPPLYING OF GAS TO EXISTING CUSTOMERS

The Company has established restrictions on attachments of new gas customers and the supplying of additional gas volumes to existing customers as follows:

(A) Attachment of New Customers

The Company will accept applications for and provide service to:

(1) New and existing one and two family residential structures;
(2) Individually metered new and existing residential units;
(3) Individually metered customers using less than 50,000 Mcf annually.

Existing customers and non-customers that have dual fuel capability and request firm service will be required, as a condition for new service, to maintain dual fuel capability.

New customers requesting in excess of 50,000 Mcf per year require the approval of both the Company and the Commission.

An Authorized Annual Consumption equal to the estimated volume set forth in an application for service will be established for each new customer, provided, however, that after two years this Authorized Annual Consumption will be reduced to 120% of the customer's highest actual annual consumption if the new Authorized Annual Consumption is less than the previously authorized Annual Consumption.

(B) Supply of Additional Volumes to Existing Customers

(1) All existing gas customers served under Service Classification Nos. 1 or 2 that take less than 12,000 Mcf annually will be limited to a maximum of either (1) 12,000 Mcf per year, or (b) 120% of the highest authorized annual consumption in any of the calendar years 1971 through 1975, whichever is less.

(2) Any other customer served under Service Classification Nos. 1 or 2 that takes 12,000 Mcf annually or more will be limited to the highest authorized annual consumption in any of the five calendar years 1971 through 1975.
11. GAS RESTRICTIONS AND LIMITATIONS (Cont'd.)

11.1 RESTRICTIONS ON ATTACHMENTS OF NEW GAS CUSTOMERS AND SUPPLYING OF GAS TO EXISTING CUSTOMERS (Cont'd.)

(B) Supply of Additional Volumes to Existing Customers (Cont'd.)

(3) Additional volumes will be granted to customers of record only upon written application. A new authorized annual consumption for the new volume will then be established, provided, however, that after two years this volume will be reduced to 120% of the customer's actual usage if less than the requested and previously authorized volume.

(4) Existing customers requesting additional volumes will be supplied up to an additional 50,000 Mcf annually.

(5) Existing customers requesting additional volumes in excess of 50,000 Mcf per year require the approval of both the Company and the Commission.

(C) Other Limitations

(1) The Company will monitor the usage of each customer that is served under Service Classification Nos. 1 and 2 that takes 1,200 Mcf or more annually and may bill a penalty as provided in this section to any such customer that exceeds the limitations described in this section. The Company may also apply to the Commission for an order authorizing the termination of all service to any such customer that exceeds the limitations described in this section.

(2) The Company may, at its discretion, waive the penalty billing for excess consumption if, as a result of a customer exceeding his authorized volume, it did not receive a similar penalty charge from its suppliers and was not required to curtail other firm services within the year.

(D) Successor in a Premises

(1) For the purposes of Section 11 of this tariff, a successor in a premises which has been previously served with gas shall be considered as an existing customer if:
11. GAS RESTRICTIONS AND LIMITATIONS (Cont'd.)

11.1 RESTRICTIONS ON ATTACHMENTS OF NEW GAS CUSTOMERS AND SUPPLYING OF GAS TO EXISTING CUSTOMERS (Cont'd.)

(D) Successor in a Premises (Cont'd.)

(1) (Cont'd.)

(a) service is requested for a one or two family residential unit served by one meter (regardless of whether that unit is located in a single or multi-family dwelling) having existing operable gas equipment, where, in the opinion of the Company, gas service was used previously in the subject equipment and utilized by a former occupant; or

(b) service is requested for a commercial or industrial unit having existing operable gas equipment which was utilized by a previous occupant within the preceding two (2) years, where gas usage does not exceed the amount used by the previous occupant, and no new or additional equipment is installed; or

(c) gas service has been discontinued to the premises because the structure receiving active gas service within the preceding two (2) years has been damaged by fire, the customer requesting resumption of service is the customer of record, the replacement gas equipment is of no larger capacity than the damaged equipment and the consumption of the renovated or new structure does not exceed the consumption of the previous structure.

(2) A newly constructed structure at a location where a previous gas consuming structure was demolished or destroyed shall not be considered an existing customer, except as described in subparagraph (D)(1)(c) herein.

(3) Where, in a one or two family residential unit served by one meter (regardless of whether that unit is located in a single or multi-family dwelling), there is an existing service line previously utilized to deliver gas to the residential unit, small gas appliances customarily transferred from one residence to another, such as clothes dryers, ranges and cooking ovens, may be installed, provided the utility can reasonably determine that the appliances were previously utilized by the new occupant.
11. GAS RESTRICTIONS AND LIMITATIONS (Cont’d.)

11.1 RESTRICTIONS ON ATTACHMENTS OF NEW GAS CUSTOMERS AND SUPPLYING OF GAS TO EXISTING CUSTOMERS (Cont’d.)

(E) Curtailment of Service

(1) Gas Service Curtailment

If in the Company’s judgment it determines that it is unable to supply the full requirements of customers because of the curtailment of gas supplies by the pipelines from which the Company purchases gas or because of a force majeure situation, the Company may curtail and/or discontinue service to customers (hereinafter referred to as “curtail service” or “curtailment”) in order to conserve the supply of gas to continue to meet the requirements of its highest priority customers. For purposes of this provision, the highest priority customers and purposes shall include both residential firm sales customers and residential firm transportation customers whose end use of gas is for Human Needs purposes and purposes that are deemed to be necessary for public health and safety and to avoid undue hardship. Human Needs customers are those who receive service for their own or another’s residential uses and purposes whether involving temporary or permanent occupancy, which includes residential hotels, single room occupancies, prisons, dormitories, living facilities of clergy and acute care or nursing home providers housing patients or residents on an overnight basis including nursing homes, hospitals, community residences, and shelters. To meet the needs of the Company’s highest priority customers, the Company may divert the gas supplies of a Seller which are intended for lower priority customers that are served by the Seller under the Company’s gas retail access program. Sellers will be compensated for the gas diverted by the Company at the citygate in accordance with the section “Seller Compensation” set forth below. Sellers whose gas has been diverted by the Company will be required to continue to nominate and bring to the citygate throughout the curtailment period their Maximum Aggregated Daily Contract Quantity (“Max ADCQ”) as set forth in Service Classification No. 11 of this Rate Schedule, unless an upstream force majeure interruption or curtailment prevents the Seller from securing and delivering its Max ADCQ to the citygate.
11. GAS RESTRICTIONS AND LIMITATIONS (Cont'd.)

11.1 RESTRICTIONS ON ATTACHMENTS OF NEW GAS CUSTOMERS AND SUPPLYING OF GAS TO EXISTING CUSTOMERS (Cont’d.)

(E) Curtailment of Service (Cont'd.)

(1) Gas Service Curtailment (Cont’d.)

If the Company finds it necessary to curtail service, the Company may curtail service to customers and/or give oral, written, or electronic notice to customers of the need to curtail the use of gas pursuant to the terms and conditions set forth in such notice. Gas will be curtailed in accordance with the order of priority set forth below in the section “Order of Curtailment”.

(2) Order of Curtailment

In the event that curtailments are necessary, the following order of curtailment will be followed, with the list indicating the first curtailed through the last curtailed:

1. Interruptible sales and transportation service requirements;
2. Firm withdrawable sales and transportation service requirements;
3. Firm sales service requirements to customers with facilities capable of using an alternate fuel;
4. Firm withdrawable transportation service requirements for electric generation;
5. Commercial and industrial firm sales and transportation service requirements;
6. Plant protection requirements for customers curtailed under categories 1 through 5 above; and
7. Residential sales and transportation service requirements including Human Needs requirements.

The Company reserves the right to deviate from the above-listed curtailment order and curtail within any end-use class on an as needed basis when necessary to maintain system operational integrity or when health, safety, or property-preservation concerns mandate certain customer-specific or geographically-required curtailments. Except for category 7, within all firm curtailment categories, the Company will curtail customers on a pro rata basis to the extent operationally feasible.

Within all interruptible curtailment categories, interruptible sales customers will be curtailed before interruptible transportation customers when the curtailment is due to a supply problem. Curtailment will not occur within
11. GAS RESTRICTIONS AND LIMITATIONS (Cont'd.)

11.1 RESTRICTIONS ON ATTACHMENTS OF NEW GAS CUSTOMERS AND SUPPLYING OF GAS TO EXISTING CUSTOMERS (Cont'd.)

(E) Curtailment of Service (Cont'd.)

(2) Order of Curtailment (Cont’d.)

Category 7 unless efforts to reduce load through voluntary reductions in gas usage have failed.

Nothing within these curtailment procedures shall impact the Company's right to take any and all actions necessary in conformance with Service Classification No. 11 to assure reliable service by Qualified Sellers, including, but not limited to, termination of qualification as a Seller.

(3) Seller Compensation

Sellers whose gas has been diverted to meet the needs of higher priority customers shall be compensated by the Company for the volume of gas diverted by the Company during the period of curtailment. Such compensation shall be at the market price of gas at the time the gas is diverted. The market price of gas is defined as the "Midpoint" gas price for Transco, Zone 6 - N.Y. for the applicable diverted gas flow day as published by Platts in The Gas Daily Price Guide. If the Seller can demonstrate to the Company’s satisfaction that its contract calls for a higher price the Company will reimburse the Seller at the contract price. The Seller shall be responsible for providing the Company with adequate support of the higher contract price. Payments to compensate Sellers for gas that has been diverted to serve the needs of the Company’s highest priority customers shall be recovered through the Monthly Gas Adjustment (see General Information Section 12.2 (G) of this Rate Schedule). Customers of Sellers who are affected by a curtailment must seek compensation from their Seller.

(4) Distribution Curtailments

In most circumstances, the nature of a capacity constraint will dictate the necessary curtailment action. When a capacity constraint occurs on the Company's distribution system which requires the Company to curtail customers, but which allows discretionary judgment in the curtailment of gas customers, the “Order of Curtailment” set forth in sub-paragraph (2) above will be followed to the extent possible.
11. GAS RESTRICTIONS AND LIMITATIONS (Cont'd.)

11.1 RESTRICTIONS ON ATTACHMENTS OF NEW GAS CUSTOMERS AND SUPPLYING OF GAS TO EXISTING CUSTOMERS (Cont'd.)

(E) Curtailment of Service (Cont'd.)

(5) General Provisions

(a) Notice

To the extent operationally feasible, a minimum of two (2) hours notice by telephone, or otherwise, prior to beginning curtailments will be provided. In any event, no penalties will be assessed against a customer for failure to comply with a curtailment directive until the customer has had two (2) hours notice to curtail gas usage.

(b) Penalties

Customers failing to comply with a curtailment directive may be subject to an additional charge for each dekatherm of overrun service equal to $25 per dekatherm for all usage during the curtailment period.

Base usage for purposes of determining the amount of overrun service on which a penalty is assessed will be determined by the nature of the curtailment and whether a customer is directed by the Company to cease all gas usage or to reduce gas usage to a specified level or by a specified amount. Notice provided in accordance with 11.1(E)(5)(a) will specify the base usage applicable to the curtailment situation.

(c) Bill Proration for Gas Sales Customer

In the event of a curtailment of the Company's gas sales customers, the next bill for service will be prorated as provided in General Information, Section 6.5, except that no proration will be required until a curtailment schedule has been in effect for more than forty-eight (48) consecutive hours.
11. GAS RESTRICTIONS AND LIMITATIONS (Cont'd.)

11.1 RESTRICTIONS ON ATTACHMENTS OF NEW GAS CUSTOMERS AND SUPPLYING OF GAS TO EXISTING CUSTOMERS (Cont'd.)

(E) Curtailment of Service (Cont'd.)

(6) Curtailment Guidelines

The following guidelines will inform the Company in its application of the curtailment requirements:

- The Company will explore all options and take all reasonable steps prior to implementing a curtailment, including, but not limited to, mutual aid, contractual and non-contractual supply management tools, OFOs, interruption of contractually-interruptible load and supply acquisition. In addition, as circumstances permit, the Company shall initially seek voluntary curtailments to alleviate an emergency situation.

- Curtailments shall be limited in scope and duration as necessary to alleviate an emergency situation.

- Economic considerations shall not be the basis for a curtailment.

- When a curtailment is declared and when the situation returns to normal, the Company shall notify the Director of the Office of Electric, Gas and Water of the New York State Department of Public Service.

- The Company shall provide periodic updates to Sellers and curtailed customers so that they can plan accordingly.

- Failure of the Company to adhere to one or more of the above criteria is not a basis for the Seller not to comply with the requirements of the curtailment but may provide the basis for a complaint to the Commission regarding the Company’s behavior.

- Curtailments shall be localized, to the extent possible.

- If, during a curtailment period, the Company is aware that Sellers are not responding to required actions, the Company shall make all reasonable efforts to inform the non-responding Sellers that required actions are not being taken. Lack of such notice does not relieve any Seller of its obligations.
GENERAL INFORMATION

11. GAS RESTRICTIONS AND LIMITATIONS (Cont'd.)

11.1 RESTRICTIONS ON ATTACHMENTS OF NEW GAS CUSTOMERS AND SUPPLYING OF GAS TO EXISTING CUSTOMERS (Cont'd.)

(F) Outdoor Gas Lighting

The Public Service Commission has prohibited the use of natural gas in gas-fired decorative torches. A decorative torch is defined as any device in which gas is used as a fuel to produce an open flame, whether or not such flame is open to the atmosphere or enclosed in glass or other appropriate covering. Service is permitted for outdoor lighting fixtures wherein a mantle is employed that enables the gas to be converted to useful lighting.

(G) Emergency Electric Generation

(1) Firm gas service will be supplied to customers for emergency electric generation provided that:

   (a) Only sufficient emergency electric generating capacity shall be installed to provide the minimum needs for safety and health; and

   (b) The customer shall pay all costs associated with the installation including, if necessary, all costs for system reinforcement, mains, and service laterals.

(2) The customer shall be penalized for excessive usage. Excess usage shall be deemed to have occurred when a customer exceeds his/her existing annual limitation for other uses plus an annual emergency electric generating allotment allowing one half hour testing each week and estimated use during verifiable electric power outages. Usage in excess of the total annual limitation shall be billed at a rate of $10.00 per Mcf.

11.2 TRANSFER OF SERVICE

In the event that a customer is authorized (by the Company or by the Public Service Commission, whichever is required in each instance) to transfer an existing gas allotment to a different location, the customer must pay for all costs associated with the installation of a new service lateral or main extension, if these facilities do not exist at the new locations.