

PSC NO: 219 GAS

LEAF: 117

NIAGARA MOHAWK POWER CORPORATION

REVISION: 3

INITIAL EFFECTIVE DATE: 11/01/07

SUPERSEDING REVISION: 2

STAMPS: Issued in Compliance with Order of PSC in Case 07-G-0299 dated 8/30/07.

GENERAL INFORMATION**28. TRANSPORTATION AND AGGREGATION OPTIONS: (continued)**

28.11 Existing customers receiving transportation service under Service Classification 9 may become a direct customer or participate in a balancing pool under the terms of Daily Balancing as set forth in S.C. No. 11 unless the customer balances upstream of the Company. Customers balancing upstream of the Company may not return to Balancing Service under Daily Balancing of Service Classification No. 11.

28.12 The Following table summarizes the Transportation and Aggregation Options:

Existing Rates	Transportation Rates	Daily	Monthly
S.C. 1	S.C. 1*	No	Yes
S.C. 2 < 35000 Th	S.C. 2*	No	Yes
S.C. 2 > 35000 < 50000 Th	S.C. 2*	No	Yes
S.C. 2 > 50000 < 250000	S.C. 7**	Yes	Yes
S.C. 2 > 250000 < 1000000	S.C. 5**	Yes	Yes
S.C. 2 > 1000000	S.C. 8 w/D1 Election	Yes	No
S.C. 3 > 50000 < 250000	S.C. 7**	Yes	Yes
S.C. 3 > 250000 < 1000000	S.C. 5**	Yes	Yes
S.C. 3 > 1000000	S.C. 8 w/D1 Election	Yes	No
S.C. 7	S.C. 7**	Yes	Yes
S.C. 5	S.C. 5**	Yes	Yes
S.C. 6	S.C. 6	Yes	No
S.C. 8	S.C. 8 w/D1 Election	Yes	No
S.C. 9	S.C. 9	Yes	No

* All customers must take an Allocation of DTI Upstream Pipeline Capacity and Storage or other Upstream Capacity, as needed in order to maintain the Company's system reliability.

** S.C.5 & 7 customers, designated Human Needs who participate in Daily Balancing must certify 100% dual fuel capability or alternately certify that they maintain or have continuous access to five (5) winter months (November – March) of primary firm capacity from a receipt point, acceptable to the Director of Gas Supply, into the Company's east/west city gate, as applicable, sufficient to meet the customers' Maximum Peak Day Quantity.

29. CASHOUT OF IMBALANCES:

29.1 When this tariff provides for a cashout of imbalances, Niagara Mohawk will pay the Marketer/Direct Customer involved for any net over deliveries of gas, and will charge the Marketer/Direct Customer for any net under deliveries.

29.2 Definitions:

29.2.1 Marketer Underdelivery Imbalance - An underdelivery exists when the quantity of gas delivered to the Niagara Mohawk system during the applicable balancing period by or for a customer, or group of customers served by a marketer, is less than the product of the quantity of gas consumed during the period by the customer or group of customers, multiplied by the Factor of Adjustment defined in Rule 17.1 of this tariff.

Issued By: William F. Edwards, President, Syracuse, New York