

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 08/01/03

LEAF: 174
REVISION: 0
SUPERSEDING REVISION:

**SERVICE CLASSIFICATION NO. 11
LOAD AGGREGATION (CONTINUED)**

CREDITWORTHINESS:

1. Applicability - These standards apply to Marketers and Direct Customers. Each entity must qualify on an individual basis.
 - A. A Marketer/Direct Customer's participation in the Company's Supplier Select Program is contingent upon the Marketer/Direct Customer meeting the credit requirements set forth in this Service Classification.
 - B. Credit appraisals and security requirements will be reviewed by the Company annually, at a minimum, and adjusted as financial evaluations dictate.
 - C. No security is required in situations where, and to the extent, Company bills customers on behalf of a Marketer under the Company's One Bill Option and has the right to retain funds collected by the billing to off-set utility charges (e.g., imbalance charges).

CREDITWORTHINESS DETERMINANTS:

1. A Marketer/Direct Customer can satisfy the Company's credit requirement by:
 - A. The Marketer or its guarantor having a minimum rating of "BBB" from S&P or Fitch, or a "Baa2" from Moody's.
 - B. The Marketer having a minimum "1A2" rating from Dun & Bradstreet coupled with 24 months good payment history with the Company, but unsecured credit will be limited as indicated below. The Company will require a Marketer to post security to cover the Marketer's credit exposure in excess of the following limits:

Rating	Unsecured Credit
4A1 or 4A2	30 % of a Marketer's equity, up to five percent (5%) of the Company's total gas sales revenues for 30 days.
3A1 or 3A2	30% of a Marketer's equity up to five percent (5%) of the Company's gas sales revenues for 30 days.
2A1 or 2A2	50% of a Marketer's equity, up to \$500,000.
1A1 or 1A2	50% of a Marketer's equity, up to \$375,000.

- C. The Direct Customer or its guarantor having a minimum rating of "BBB" from S&P or Fitch, or a "Baa2" from Moody's, provided that all accounts with the Company are and have been maintained current for 12 months.

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