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 COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 2
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SERVICE CLASSIFICATION NO. 11,
 LOAD AGGREGATION (continued)

g. Daily Contract Quantity. Based on historic usage patterns and expected weather conditions, Niagara Mohawk will issue a Daily Contract Quantity not less than five (5) business days prior to the first day of each month establishing the quantity of gas to be delivered daily by a Marketer for each Basic Aggregation Service pool operated by the Marketer. Niagara Mohawk will increase or decrease the flow requirements during a month on notice to the Marketer provided no later than 9:00 a.m. Eastern Time for gas flowing the next day. The flow requirements established by a Daily Contract Quantity may never exceed the sum of the Upstream MDQs and storage deliverability on CNG of the customers constituting the pool to which the flow order applies. For any difference between the quantity of gas delivered to the Niagara Mohawk system by an Marketer and the quantity designated in the applicable Daily Contract Quantity, the Marketer will be assessed a Scheduling Charge in accordance with Paragraph i.

h. Daily Scheduling Charges.

Scheduling Charges will be assessed to the Marketer at the following rates:

1. For underdeliveries (when the quantity of gas delivered to the Niagara Mohawk System by an aggregator is less than the amount required by the Daily Contract Quantity (DCQ) in effect on that day):

DAILY IMBALANCE LEVEL	CHARGE PER THERM
0 to 2%	Commodity Cost of Gas + \$.142205
>2% to 5%	110% of Commodity Cost of Gas + \$.142205
>5%	\$1/th., plus the Commodity Cost of Gas + \$.142205

The Commodity Cost of Gas is defined in Rule 17.10.

In the event Niagara Mohawk issues a Forced Balancing Operational Flow Order, for underdeliveries greater than 2%, a charge of \$2.50 per therm, plus the Average Commodity Cost of Gas, will apply.

2. For overdeliveries (when deliveries exceed the amount required by the Daily Contract Quantity (DCQ), Niagara Mohawk may reject the excess nomination or make the following payments:

DAILY IMBALANCE LEVEL	PAYMENT PER THERM
0 to 2%	WACCOG.
>2% to 10%	90% of WACCOG.
>10% to 15%	80% of WACCOG.
>15% to 20%	70% of WACCOG.
>20%	60% of WACCOG.

WACCOG is equal to the Average Commodity Cost of Gas as defined in Rule 17.10.3.1.

Issued By: Darlene D. Kerr, Executive Vice President, Syracuse, New York