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..TXT: PSC NO: 218 GAS LEAF: 186.6
COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 06/01/99 SUPERSEDING REVISION:
STAMPS:
RECEIVED: 04/26/99 STATUS: Effective EFFECTIVE: 06/01/99

SERVICE CLASSIFICATION NO. 11
LOAD AGGREGATION (continued)

Lockbox

1. An alternative security mechanism for Marketers only (not Direct Customers) will be available in the form of a "lock-box" for any of the security requirements specified in this Service Classification. A lockbox will reduce any security requirements to 50% of what would otherwise be required.
2. Under the lockbox, a Marketer*s customers* payments will be made to a lockbox, which will be administered by a mutually agreed upon entity.
3. All costs associated with implementing and administering the lockbox will be the responsibility of the Marketer.
4. The allocation of funds in the lockbox between the Company and the Marketer, and other administrative rules, must be agreed upon by both parties, with the Company having first rights on funds in the lockbox to off-set Company charges. The administrative rules will specify the terms under which the lockbox mechanism will be terminated for non-compliance.
5. The Company, after petition to the PSC, is permitted to terminate the lockbox and request full security if expected customer payments for Company charges are not received in a timely manner.

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