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..TXT: PSC NO: 218 GAS LEAF: 186.7 COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 0

INITIAL EFFECTIVE DATE: 06/01/99 SUPERSEDING REVISION:

STAMPS:

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SERVICE CLASSIFICATION NO. 11 LOAD AGGREGATION (continued)

<u>Calling on Security</u>

1. The Company may call upon security posted by a Marketer/Direct Customer after providing 5 days* notice to the Marketer/Direct Customer whenever the Marketer/Direct Customer fails to pay Company charges when due, unless the Marketer/Direct Customer makes payment in full within the 5-day notice period.

2. The Company may call upon the security posted by a Marketer/Direct Customer without prior notice if the Marketer/Direct Customer files a petition in bankruptcy (or equivalent, including the filing of an involuntary petition in bankruptcy against the Marketer/Direct Customer); or, in the case of a Marketer, if for any reason the Marketer ceases to provide service to its customers under the Company*s Supplier Select Program.

Issued By: <u>Darlene D. Kerr, Executive Vice President, Syracuse, New York</u>