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COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 4
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SERVICE CLASSIFICATION NO. 11
LOAD AGGREGATION (continued)

Basic Aggregation Service (continued)

d. Allocation of Storage. All customers electing Basic Aggregation Service will be allocated storage capacity on the CNG Transmission Corp. system and firm transportation capacity sufficient to transport the maximum withdrawal quantity associated with the allocated capacity. The quantity of storage capacity and firm transportation allocated will be determined in accordance with Special Condition C.

e. Release of CNG Capacity/Storage. CNG capacity/storage allocated to the Basic Aggregation Service customers of a single Marketer may be released by Niagara Mohawk to the Marketer at maximum demand rates in accordance with the capacity/storage release provisions of the tariffs of the applicable pipelines. The term of each such release will be up to one year. All releases will be made subject to the following conditions: (1) the capacity/storage is recallable, if released by Niagara Mohawk when a customer elects to change Marketers; (2) the capacity/storage is recallable, if released by Niagara Mohawk when a Marketer fails to perform its obligations under this tariff; (3) the capacity/storage is recallable, if released by Niagara Mohawk when a Marketer ceases to meet the credit or security requirements of this service classification; and (4) the capacity/storage of an aggregator is recallable, if released by Niagara Mohawk if the customer discontinues service under this Service Classification.

f. Open Enrollment. Prior to April 1 of each year the Marketer may request assignment of capacity from the Company based upon the customers that comprise the aggregators pool. After April 1, the Marketer is assigned storage space with the gas that has been injected on the customer's behalf as of the date of assignment. The cost of the gas inventory will be the higher of the Company's average gas inventory costs or market price. Any differences between the market value of storage gas and the Company's average inventory gas cost plus unrecovered fixed costs for gas transferred to Marketers will be credited to the Company's Annual Surcharge/Refund Calculation as set forth in Rule 17.13.

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