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COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 8

INITIAL EFFECTIVE DATE: 04/12/00 SUPERSEDING REVISION: 7

STAMPS: Issued in Compliance with order of PSC in C. 97-G-1380 dated 01/11/00.

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SERVICE CLASSIFICATION NO. 11 LOAD AGGREGATION (continued)

Basic Aggregation Service

a. <u>Eligibility</u>. Basic Aggregation Service is available to customers who have taken service under Service Classification Nos. 1, 2, 3, 5 DCA, 7 DCA, 12, & 13 who have met the term provisions of their respective service classifications. To receive Basic Aggregation Service, Supplier Select Form 2 must be completed by the Customer*s approved Marketer and submitted to the Company electronically through the Company*s web site not later than 10 calendar days prior to the month service is to commence. For a 31 day month this will be on the 22nd of the month, for a 30 day month this will be on the 21st of the month, for a 29 day month this will be on the 20th of the month and for a 28 day month on the 19th of the month.

b. <u>Allocation of Upstream Capacity.</u>

- 1) All Marketers serving firm loads must demonstrate that they have firm, nonrecallable, primary delivery point capacity to Niagara Mohawk*s city gate. Niagara Mohawk*s upstream capacity will be available on a voluntary basis to customers electing Basic Aggregation if in the Company*s sole discretion, it has adequate capacity available. The amount of capacity allocated, called the Customer*s "Upstream MDQ" will be determined in accordance with Special Condition A of this Service Classification.
- 2) Marketers accepting assignment of capacity upstream of CNG will be subject to the Capacity Release Credit Surcharge. A Capacity Release Surcharge/(Credit) will be applied each month to the total monthly quantity of capacity released by the Company to the Marketer. The per therm charge is calculated by subtracting the Marketer*s actual cost per therm of released pipeline capacity from the Company*s weighted average cost of capacity. The Company*s weighted average cost of capacity will be determined monthly and will be filed with the New York State Public Service Commission. This calculation results in a per therm surcharge when the difference yields a positive result; and a per therm credit when the difference is negative. The Capacity Release Surcharge/(Credit) will be billed to the Marketer.

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