

..DID: 10122
..TXT: PSC NO: 218 GAS LEAF: 195
COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 5
INITIAL EFFECTIVE DATE: 11/01/99 SUPERSEDING REVISION: 4
STAMPS:
Cancelled by 6 Rev. Leaf No. 195 Effective 11/01/1999
RECEIVED: 10/01/99 STATUS: Cancelled EFFECTIVE: 11/01/99
SERVICE CLASSIFICATION NO. 11
LOAD AGGREGATION (continued)

b. Allocation of Upstream Capacity. (continued)

If the Marketer has non-recallable primary firm capacity or supply on Empire delivered to Niagara Mohawk's system, the Marketer must demonstrate ownership of that capacity by providing an affidavit by the 25th of the month preceding the month of service. If a firm contract number or affidavit is not provided to the Company by the required date, CNG Capacity will be released to the Marketer per the terms of this service classification. The amount of capacity allocated to the customer, called the customer's "Upstream MDQ" will be determined in accordance with Special Condition A of this Service Classification. Delivery service to Basic Aggregation customers will be provided as set forth in Rule 28 of this schedule.

c. Termination of Sales Service. Upon commencement of Basic Aggregation Service to a customer, sales service by Niagara Mohawk will terminate and Niagara Mohawk will have no further obligation to maintain the availability of gas supplies for the non-residential Customer. The Company will maintain availability of gas supplies for residential customers. Costs for maintaining such supplies will be recovered as a standby charge per MPDQ.

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