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 COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 7
 INITIAL EFFECTIVE DATE: 11/01/99 SUPERSEDING REVISION: 6
 STAMPS:
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 RECEIVED: 10/01/99 STATUS: Cancelled EFFECTIVE: 11/01/99
 SERVICE CLASSIFICATION NO. 11

LOAD AGGREGATION (continued)

Balanced Aggregation Service

a. Eligibility. Balanced Aggregation Service is available to customers who have taken service under Service Classification Nos. 1, 2, 3, 5 DCA, and 7 DCA, 12 & 13, who have met the term provisions of their respective service classifications. To receive Balanced Aggregation Service, Supplier Select Form 2 must be completed by the Customer's approved aggregator and submitted to the Company electronically through the Company's web site or via fax not later than 10 calendar days prior to the month service is to commence. For a 31 day month this will be on the 21st of the month, for a 30 day month this will be on the 20th of the month, for a 29 day month this will be on the 19th of the month and for a 28 day month on the 18th of the month. If the Company does not have access to the Customer's meter, the Company will attempt to contact the Customer for a reading provided by the Customer. If no reading is provided, no conversion to Aggregation will occur.

Allocation of Upstream Capacity

a. All customers electing Balanced Aggregation Service will be allocated Niagara Mohawk's firm transportation capacity on CNG Transmission Corp. Niagara Mohawk's capacity upstream of CNG will be available on a voluntary basis to customers electing Balanced 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.

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.

b. Standby Capacity Service. Any Marketer who desires to utilize secondary capacity to Niagara Mohawk's City Gate must demonstrate ownership of secondary capacity for the five month winter period November through March of each year at the CNG level of the Marketer's Upstream Maximum Daily Quantity (UMDQ). Marketers must provide a preliminary indication of interest not later than October 1st of each year. A final confirmation of interest must be made in writing by providing a contract number to Niagara Mohawk's Customer Programs Department by the 15th of October of each year. Marketer's utilizing secondary capacity will be assessed a Standby Capacity Charge per therm of the pool's UMDQ for the five winter months November through March. The Standby Capacity Charge will be set forth on a statement to be filed with the Public Service Commission not later than three days prior to its effective date.

If a Marketer utilizing Niagara Mohawk's Standby Capacity Service has need of Primary Firm Capacity, the Marketer must provide 48 Niagara Mohawk business day hours advance notice to the Company.

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