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COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 09/12/97 SUPERSEDING REVISION:
STAMPS:
Cancelled by 1 Rev. Leaf No. 186 Effective 06/01/1999
RECEIVED: 07/03/97 STATUS: Cancelled EFFECTIVE: 09/12/97
SERVICE CLASSIFICATION NO. 11
LOAD AGGREGATION (continued)

Eligibility to Act as Aggregator (continued)

a. Initial Requirements (continued)

(iii) Demonstrates to Niagara Mohawk that it is designated in writing as the entity to provide aggregation service on their behalf by customers on the Niagara Mohawk system who have historic or projected aggregate annual natural gas usage of 50,000 therms or more. The 50,000 therm load requirement applies separately to each type of service (Pooled Balancing, Balanced Aggregation and Basic Aggregation) offered by the aggregator. An aggregator need not be a seller of gas to a customer for whom it provides aggregation service.

(iv) Maintains a credit limit with Niagara Mohawk, or provides adequate security in lieu of such credit limit, in an amount that is equal to or greater than the sum of the MPDQ's of all customers in each pool provided service by the entity, multiplied by \$17.50 per therm.

b. Establishment of Credit Limits. Niagara Mohawk will establish credit limits for aggregators by applying, on a consistent, non-discriminatory basis, the same financial evaluation standards it currently uses to establish credit limits for customers to whom the Company makes sales of gas for resale. Aggregators will be notified of the established credit limit within two weeks of receipt of Aggregator Form 1, accompanied by two years audited financial statements. Credit limits will be reviewed continually. If an entity is assigned a credit limit that is not sufficient to meet the requirements of this section, it may meet the requirements by paying any outstanding balances due to Niagara Mohawk and providing security in the form of (1) an advance deposit; (2) an irrevocable letter of credit in such form, and drawn upon such bank, as are satisfactory to Niagara Mohawk; (3) a security interest in collateral satisfactory to Niagara Mohawk; or (4) a guarantee, in form acceptable to Niagara Mohawk, by another entity which is assigned a credit limit adequate to meet the requirements of this section. Such security must be in an amount at least sufficient to cover the difference between the credit limit assigned to the entity by Niagara Mohawk and the credit limit required by this section. In the event the level of credit indicates security is no longer required, such security will be returned in kind. Security deposits held by Niagara Mohawk Power Corporation for aggregators will accrue interest at the Commission's Other Customer Capital Rate. If Niagara Mohawk is unable to establish a credit limit based on information available from commercial credit rating organizations, an aggregator must provide such supplemental financial and credit information as Niagara Mohawk may deem necessary. This may include

Issued By: Albert J. Budney, Jr., President, Syracuse, New York