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COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 9
INITIAL EFFECTIVE DATE: 08/01/00 SUPERSEDING REVISION: 8
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SERVICE CLASSIFICATION NO. 11

b. Allocation of Upstream Capacity (continued)

(1) **Release of Capacity** - All DTI FT capacity allocated to the Monthly Balancing Service customers of a single Marketer will be released by Niagara Mohawk to the Marketer on behalf of the customer in a prearranged capacity release transaction at maximum demand rates in accordance with the capacity release provisions of the tariff of DTI. The term of each such release will be for one year and one day. All releases will be made subject to the following conditions: (i) the capacity is recallable by Niagara Mohawk when a customer elects to change Marketers; (ii) the capacity is recallable by Niagara Mohawk when a Marketer fails to perform its obligations under this tariff; (iii) the capacity is recallable by Niagara Mohawk when a Marketer ceases to meet the credit or security requirements of this service classification and (iv) the capacity is recallable by Niagara Mohawk if the Customer discontinues service. The amount of capacity to be allocated to Monthly Balancing Service customers will be equal to 45% of their Maximum peak Day Quantity as further defined in Special Provision A.

c. Release of GSS Storage

(1) **Release of GSS Storage** - DTI Storage Demand and Storage Capacity will be released to Marketers participating in Monthly Balancing Service on behalf of customers in a prearranged storage release transaction at Maximum Demand Rates in accordance with the release provisions of the tariff of DTI. The term of each such release will be for one year plus 1 day. The amount of GSS storage demand to be released on behalf of a given customer will equal to fifty-five (55%) of their Maximum Peak Day Quantity as further defined in Special Provision A. The customer*s storage capacity will be equal to fifty-five percent (55%) of their Maximum Peak Day Quantity times 51.6 days.

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