

..DID: 12609
 ..TXT: PSC NO: 218 GAS LEAF: 131.3
 COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 0
 INITIAL EFFECTIVE DATE: 08/01/00 SUPERSEDING REVISION:
 STAMPS: Issued in Compliance with Order of PSC in C. 99-G-0336 dated 07/27/00.
 RECEIVED: 07/31/00 STATUS: Effective EFFECTIVE: 08/01/00

GENERAL INFORMATION

MONTHLY CASHOUT

At the end of the month, an All Pools comparison of actual usage to nominations will be calculated. The chart below indicates the applicable cashout rates for individual marketers, depending on whether the All Pools imbalance is less or greater than a 2% tolerance. Each Marketer*s Remaining Imbalance will be cashed out at the applicable rates as stated below. When the Marketers* Remaining Imbalance is an underdelivery, the Marketer will be subject to an additional charge for all dekatherms of Remaining Imbalance at the effective DTI GSS withdrawal rate. When the Marketers* Remaining Imbalance is an overdelivery, the Marketer will be subject to an additional charge for all dekatherms of Remaining Imbalance at the effective DTI GSS injection rate. The issuance of an Operational Flow Order will nullify All Pools Balancing for the day.

1. For underdeliveries:

MONTHLY IMBALANCE LEVEL	All Pools <2% Imbalance	All Pools >2% Imbalance
0 to 2%	Gas Daily CNG North Point Mid Point Average	Gas Daily CNG North Point Mid Point Average
>2%	Gas Daily CNG North Point Mid Point Average	120% of Gas Daily CNG North Point Mid Point Average

2. For overdeliveries:

MONTHLY IMBALANCE LEVEL	All Pools <2% Imbalance	All Pools >2% Imbalance
0 to 2%	Gas Daily CNG North Point Mid Point Average	Gas Daily CNG North Point Mid Point Average
>2%	Gas Daily CNG North Point Mid Point Average	80% of Gas Daily CNG North Point Mid Point Average

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