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COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 8
INITIAL EFFECTIVE DATE: 10/28/00 SUPERSEDING REVISION: 7
STAMPS:
Cancelled by 9 Rev. Leaf No. 195 Effective 11/23/2002
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SERVICE CLASSIFICATION NO. 11
LOAD AGGREGATION (continued)

Monthly Balancing Service (continued)

j. Calculation of DTR Rate

The DTR Rate shall be equal to the System Average Unrecovered DTI Demand Charge revenue per therm beginning in the month of April through the initial month that storage capacity is released to the Marketer. The demand charges in this calculation include DTIFT, FTNNGSS and GSS. The System Average Unrecovered DTI Demand Charge revenue shall equal the sum of the differences between the DTI Demand Charge revenues collected and the average DTI Fixed Demand costs incurred beginning the month of April through the initial month that storage capacity is released to the Marketer. The DTR Rate will be set forth on the Storage Transfer Rate Statement to be filed with the Public Service Commission not less than (3) days before the effective date.

k. Customers Returning to Sales Service

In the event a customer participating in Monthly Balancing Service switches from transportation service sales to sales service, storage inventory shall be returned to Niagara Mohawk unless mutually agreed upon between Niagara Mohawk and the Marketer. The storage inventory amount will be calculated on the same basis as the storage transfer clause as referenced in Storage Transfer for Customers Migrating after September 1, 2000. Niagara Mohawk will pay the Marketer the average commodity cost of gas in Niagara Mohawk's storage account effective with the date of transfer. The Marketer shall be responsible for all taxes and pipeline fees associated with moving or transferring the storage gas to Niagara Mohawk.

l. Customers Switching Marketers

Any storage inventory transfer, which is performed when customers switch marketers, will be the sole responsibility of the marketers involved without participation by the Company.

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