

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 03/01/07

LEAF: 185
REVISION: 3
SUPERSEDING REVISION: 2

**SERVICE CLASSIFICATION NO. 11
LOAD AGGREGATION (CONTINUED)**

LOAD AGGREGATION SERVICE: (continued)

12. 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 three (3) days before the effective date.

13. Customers Returning to Sales Service:

In the event a customer participating in Monthly Balancing Service switches from transportation service 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 as stated on the effective Storage Transfer Rate Statement. In the event the Marketer transfers insufficient storage volumes to Niagara Mohawk, the Company will bill the Marketer the difference between the required amount and the amount actually transferred times the peak forecasted NYMEX price for the remainder of the winter (during November through March) or summer (April through October) months plus the effective demand cost of gas in accordance with Rule 17.3.4 of this rate schedule. The Marketer shall be responsible for all taxes and pipeline fees associated with moving or transferring the storage gas to Niagara Mohawk.

14. Customers Switching Marketers:

In the event a customer participating in Monthly Balancing Service switches Marketers, storage inventory volumes shall be returned to Niagara Mohawk by the previous Marketer, and in turn, Niagara Mohawk will transfer same storage inventory volume to the customer's new 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 previous Marketer and receive from the current Marketer the average commodity cost of gas in Niagara Mohawk's storage account as stated on the effective Storage Transfer Rate Statement. In the event the Marketer transfers insufficient storage volumes to Niagara Mohawk, the Company will bill the Marketer the difference between the required amount and the amount actually transferred times the peak forecasted NYMEX price for the remainder of the winter (during November through March) or summer (April through October) months plus the effective demand cost of gas in accordance with Rule 17.3.4 of this rate schedule. The Marketer shall be responsible for all taxes and pipeline fees associated with moving or transferring the storage gas to Niagara Mohawk.

15. True Up of Actual Usage to Nominations:

Actual usage for each Monthly Balancing Pool will be trued up to nominations by billing cycle. The difference between the actual usage and the Actual DCQ deliveries will be cashed out using the average of the Gas Daily DTI North Point/Mid Point, plus DTI fuel, plus DTI's Commodity Charge for each period for which the DCQ's were delivered. When the Gas Daily DTI North Point/Mid Point price is not posted, the Gas Daily DTI South Point/Mid Point price will be used. This process will be implemented effective September 1, 2000.

Issued By: William F. Edwards, President, Syracuse, New York