

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 11/01/07
STAMPS: Issued in Compliance with Order of PSC in Case 07-G-0299 dated 8/30/07.

LEAF: 179
REVISION: 7
SUPERSEDING REVISION: 6

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

LOAD AGGREGATION SERVICE: (continued)

2. Monthly Balancing Service:

- A. Eligibility - Monthly Balancing Service is available to customers who have taken service under Service Classification Nos. 1, 2, 3, 5, 7, 12 and 13 who have met the term provisions of their respective service classifications and who have an approved Marketer. Service Classification No. 12 customers must have initially elected commodity service from the Company in order to participate in Monthly Balancing. To receive Monthly Balancing Service, an enrollment must be completed by the customer's approved Marketer and submitted to the Company electronically not later than 15 calendar days prior to the month service is to commence. For a 31 day month this will be on the 17th of the month, for a 30 day month this will be on the 16th of the month, for a 29 day month this will be on the 15th of the month and for a 28 day month on the 14th of the month. If the Company does not have access to the customer's meter, an estimated read may be used if the Company has an actual read within the last 150 days, otherwise, the enrollment will not occur.
- B. The Monthly Balancing Program is designed around and offered in conjunction with DTI's Delivery Point Operator (DPO) and Citygate Swing Customer (CSC) Program under DTI rate schedules FT, FTNNGSS and GSS. The Company reserves the right to allocate other upstream capacity, as needed in order to maintain the Company's system reliability.

3. Allocation of Upstream Capacity:

Marketers serving customers taking monthly balancing service, who have as of November 1, 2007, demonstrated ownership of non-recallable primary delivery or storage capacity under DTI rate schedules FT, FTNNGSS and GSS by providing an affidavit to Niagara Mohawk by the 25th of October 2007 will be allowed to continue to utilize that same capacity capped at the volumes as of November 1, 2007 rather than taking an assignment of the Company's capacity. Any reductions from the November 1, 2007 volumes will establish a new cap from which volumes may not be increased. Any new or incremental Marketer loads would be served using a release of the Company's Upstream Capacity and Storage as set forth in Rules 3A, and 4A-C below.

- A. Release of Capacity - All 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 the applicable pipeline. The term of each such release will be for one calendar month. All releases will occur in each month of the year and 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 DTI capacity to be allocated to Monthly Balancing Service customers will be equal to 45% of their Maximum Peak Day Quantity as further defined in Leaf 171, provided the customer has a positive thermal response.

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