

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 08/01/03

LEAF: 188
REVISION: 0
SUPERSEDING REVISION:

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

LOAD AGGREGATION SERVICE: (continued)

8. Actual Daily Contract Quantity:

Niagara Mohawk will issue to each Marketer of a Monthly Balancing Pool a Daily Contract Quantity, based on actual heating degree days, the day following the delivery of the forecasted Daily Contract Quantity provided in accordance with paragraph e above. The difference between the forecasted Daily Contract Quantity and the actual Daily Contract Quantity will result in a change to the Marketer's GSS storage balance.

9. Initial Transfer of Storage Inventory:

Niagara Mohawk will transfer gas in storage to each Marketer participating in Monthly Balancing on behalf of customers served by the Marketer as of August 31, 2000. The amount of gas in storage to be transferred shall be equal to five sevenths of the summer storage injection season requirements (April 2000 through October 2000), for each customer in the Marketer's Pool on August 1, 2000. The summer injection season required is designed to fill storage, for each firm customer based on 55% of the customer's MPDQ times 51.6 days. Each Marketer or Direct Customer participating in Monthly Balancing will be charged the estimated Commodity Cost of Gas in storage on August 31, 2000 as set forth on the effective Storage Gas Transportation Rate Statement exclusive of the DTR adjustment shown on the statement. Each Marketer will also be required to reimburse Niagara Mohawk for all taxes and pipeline fees associated with moving or transferring the storage gas to the Marketer.

10. One-Time Reconciliation of Demand Charges Between Old and New Balancing Programs :

Each Marketer participating in Monthly Balancing shall receive a one-time credit equal to the difference between demand charges billed to customers and their Marketers under Niagara Mohawk's Balanced Aggregation Program effective prior to September 1, 2000 and those that would have been billed assuming implementation of the new Monthly Balancing Program on April 1, 2000. The per therm credit will be based on the difference between (1) the sum of the Storage Utilization Charge Revenue billed to customers in each month preceding September 1, 2000 for each therm of Maximum Balancing Quantity (MBQ) in the marketer's pool and the DTI Capacity Charges released to and billed to each Marketer for each therm of Upstream Maximum Daily Quantity (UMDQ) released to the Marketer for the pool and (2) the sum of DTI storage charges for each therm of MBQ and DTI Capacity charges for each therm of UMDQ in the Marketer's Pool. (The UMDQ's and MBQ's in item one above will be as calculated under the existing program while the UMDQ and MDQ in item two above will be as calculated under the new program. The credits will be applied to Marketers' invoices for the month of September 2000.

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