

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

LEAF: 187
REVISION: 0
SUPERSEDING REVISION:

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

LOAD AGGREGATION SERVICE: (continued)

5. Minimum Storage Requirements: (continued)

If the Gas Marketer does not cure the storage deficiency or provide financial security within the ten (10) calendar day cure period the Company will, at its sole discretion, return the Gas Marketer's customers to sales service in accordance with Special Provision 13 of the Monthly Balancing Service section of this schedule. In the event the gas in storage is less than the volume required to be transferred back to the Company as described on Leaf 189, the Company will send an invoice to the Marketer for the insufficient volume times the difference between the Gas Daily DTI North Point/Mid Point Price and the Company's Weighted Average Cost of Gas in Storage (providing the DTI North Point/Mid Point Price exceeds the Company's Weighted Average Cost of Gas in Storage).

Information provided to Niagara Mohawk regarding Minimum Storage Inventory levels ("Confidential Information") shall, for a period of one (1) year from the date of written disclosure, be held in confidence by Niagara Mohawk and its representatives, attorneys and agents nor shall it be disclosed to others by Niagara Mohawk without the prior written approval of the disclosing Gas Marketer. The above notwithstanding, Confidential Information may be disclosed by Niagara Mohawk to (a) its officers, directors, employees and attorneys, as representatives of Niagara Mohawk, who require knowledge thereof in connection with their duties in carrying out the aforesaid purpose of the minimum storage level tariff and (b) to a judicial or regulatory body requiring its disclosure, provided that, prior to such disclosure, Niagara Mohawk has notified the disclosing Gas Marketer of the requirement with an opportunity for the Gas Marketer to object or seek an appropriate protective order.

6. Termination of Sales Service:

Upon commencement of Monthly Balancing Service to a customer, sales service by Niagara Mohawk will terminate and Niagara Mohawk will have no further obligation to maintain the availability of gas supplies except for residential and human needs customers. The Company will maintain availability of gas supplies for residential customers and human needs customers. Costs for maintaining such supplies will be recovered through a standby charge per MPDQ.

7. Forecast Daily Contract Quantity:

Based on historic usage patterns and expected weather conditions, Niagara Mohawk will issue a Daily Contract Quantity not less than two (2) business days prior to the first day of each month establishing the quantity of gas to be delivered daily by a Marketer for each Monthly Balancing Service pool operated by the Marketer.

Niagara Mohawk may increase or decrease the Forecast Daily Contract Quantity each day thereafter on notice to the Marketer provided no later than 3:00 p.m. Eastern Time on the same day of the effective date of the change.

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