

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

LEAF: 117
REVISION: 0
SUPERSEDING REVISION:

GENERAL INFORMATION

28. TRANSPORTATION AND AGGREGATION OPTIONS: (continued)

28.11 Existing customers receiving transportation service under Service Classification 9 may become a direct customer or participate in a balancing pool under the terms of Daily Balancing as set forth in S.C. No. 11 unless the customer balances upstream of the Company. Customers balancing upstream of the Company may not return to Balancing Service under Daily Balancing of Service Classification No. 11.

28.12 The Following table summarizes the Transportation and Aggregation Options:

Existing Rates	Transportation Rates	Daily	Monthly
S.C. 1	S.C. 1*	No	Yes
S.C. 2 < 35000 Th	S.C. 2*	No	Yes
S.C. 2 > 35000 < 50000 Th	S.C. 2*	No	Yes
S.C. 2 > 50000 < 250000	S.C. 7**	Yes	Yes
S.C. 2 > 250000 < 1000000	S.C. 5	Yes	Yes
S.C. 2 > 1000000	S.C. 8 w/D1 Election	Yes	No
S.C. 3 > 50000 < 250000	S.C. 7**	Yes	Yes
S.C. 3 > 250000 < 1000000	S.C. 5	Yes	Yes
S.C. 3 > 1000000	S.C. 8 w/D1 Election	Yes	No
S.C. 7	S.C. 7**	Yes	Yes
S.C. 5	S.C. 5	Yes	Yes
S.C. 6	S.C. 6	Yes	No
S.C. 8	S.C. 8 w/D1 Election	Yes	No
S.C. 9	S.C. 9	Yes	No

* All customers must take an Allocation of DTI Upstream Pipeline Capacity and Storage Capacity.

** S.C. 7 customers participating in Daily Balancing must certify 100% dual fuel capability.

29. CASHOUT OF IMBALANCES:

29.1 When this tariff provides for a cashout of imbalances, Niagara Mohawk will pay the Marketer/Direct Customer involved for any net over deliveries of gas, and will charge the Marketer/Direct Customer for any net under deliveries.

29.2 Definitions:

29.2.1 Marketer Underdelivery Imbalance - An underdelivery exists when the quantity of gas delivered to the Niagara Mohawk system during the applicable balancing period by or for a customer, or group of customers served by a marketer is less than the product of the quantity of gas consumed during the period by the customer or group of customers, multiplied by the Factor of Adjustment defined in Rule 17.1 of this tariff.

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