

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 11/03/04

LEAF: 177
REVISION: 3
SUPERSEDING REVISION: 1
(REVISION 2 PENDING)

STAMPS: Issued in Compliance with Order of PSC in Case 02-M-0515 dated 08/04/04.

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

LOAD AGGREGATION SERVICE: (continued)

1. Daily Balancing Service:

Daily Balancing Service permits a Marketer to pool the usage of a group of eligible customers for the purpose of determining imbalances.

- A. Customer Eligibility - Daily Balancing Service is available to customers served under Service Classifications 5, 6, 7, 8, 9, 12 and 13 (contracts with effective dates before June 1, 1996 will have to amend their existing service agreements in order to participate in Daily Balancing Service). Customers under S.C. 7 must certify that they are 100% dual fuel and give up their ability to obtain future sales service under the Company's tariff. To receive Daily 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.
- B. Direct Customer - To receive Daily Balancing Service the Direct Customer must contact the Company not later than 15 calendar days prior to the month service is to commence. The customer may become a Direct Customer effective on the next scheduled read date. 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 this will be on the 14th of the month.

When a customer participating in Daily Balancing is dropped from their marketer's pool either through a voluntary or involuntary action, the customer will default to Daily balancing as a Direct Customer under the following conditions.

1. For the first calendar month, the Company will track the direct customer's daily usage versus their nominations and the result will be their daily imbalance. If the drop is a result of involuntary discontinuance, and occurs after the month has started, the Company will contact the former marketer to request a customer allocation of gas that may have been delivered up to the drop date. The Daily Cashout provisions set forth in paragraph C (1) below and Rule 29 of this rate schedule will not be applicable. However, the customer will be subject to the Monthly Cashout provisions set forth in Rule C (1) and Rule 29 at the end of the month for the sum total of each day's imbalance. The customer may at any time during the 1st month recruit a gas supplier and have gas delivered on their behalf in order to keep the imbalance to a minimum.

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