

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 02/19/04
STAMPS: Issued in Compliance with Order of PSC in Case 98-M-1343 dated 11/21/03.

LEAF: 185
REVISION: 1
SUPERSEDING REVISION: 0

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

LOAD AGGREGATION SERVICE: (continued)

12. Calculation of DTR Rate:

The DTR Rate shall be equal to the System Average Unrecovered DTI Demand Charge revenue per therm beginning in the month of April through the initial month that storage capacity is released to the Marketer. The demand charges in this calculation include DTIFT, FTNNGSS and GSS. The System Average Unrecovered DTI Demand Charge revenue shall equal the sum of the differences between the DTI Demand Charge revenues collected and the average DTI Fixed Demand costs incurred beginning the month of April through the initial month that storage capacity is released to the Marketer. The DTR Rate will be set forth on the Storage Transfer Rate Statement to be filed with the Public Service Commission not less than three (3) days before the effective date.

13. Customers Returning to Sales Service:

In the event a customer participating in Monthly Balancing Service switches from transportation service sales to sales service, storage inventory shall be returned to Niagara Mohawk unless mutually agreed upon between Niagara Mohawk and the Marketer. The storage inventory amount will be calculated on the same basis as the storage transfer clause as referenced in Storage Transfer for Customers Migrating after September 1, 2000. Niagara Mohawk will pay the Marketer the average commodity cost of gas in Niagara Mohawk's storage account effective with the date of transfer. The Marketer shall be responsible for all taxes and pipeline fees associated with moving or transferring the storage gas to Niagara Mohawk.

14. Customers Switching Marketers:

Any storage inventory transfer, which is performed when customers switch marketers, will be the sole responsibility of the marketers involved without participation by the Company.

15. True Up of Actual Usage to Nominations:

Actual usage for each Monthly Balancing Pool will be trued up to nominations by billing cycle. The difference between the actual usage and the Actual DCQ deliveries will be cashed out using the average of the Gas Daily DTI North Point/Mid Point, plus DTI fuel, plus DTI's Commodity Charge for each period for which the DCQ's were delivered. This process will be implemented effective September 1, 2000.

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