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 COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 2
 INITIAL EFFECTIVE DATE: 10/24/02 SUPERSEDING REVISION: 1
 STAMPS:
 Effective date postponed to 11/23/02. See Supplement No. 50
 RECEIVED: 09/23/02 STATUS: Effective EFFECTIVE: 11/23/02
 SERVICE CLASSIFICATION NO. 11
 LOAD AGGREGATION (continued)

c. Release of GSS Storage (continued)

(2) **Release of Storage Transportation** - DTI FTNNGSS Storage Capacity will be released to Marketers participating in Monthly Balancing Service on behalf of customers in a prearranged storage release transaction at Maximum demand rates in accordance with the release provisions of the tariff of DTI. The term of each such release will be for one year plus 1 day. All releases will be made subject to the following conditions: (i) the capacity is recallable by Niagara Mohawk when a customer elects to change Marketers; (ii) the capacity is recallable by Niagara Mohawk when a Marketer fails to perform its obligations under this tariff; (iii) the capacity is recallable by Niagara Mohawk when a Marketer ceases to meet the credit or security requirements of this service classification and (iv) the capacity is recallable by Niagara Mohawk if the customer discontinues service under this service classification. The amount of GSS storage demand to be released on behalf of a given customer will equal to fifty-five percent (55%) of their Maximum Peak Day Quantity as further defined in Special Provision A.

(3) **Recall** - All releases under Paragraph B and C will be made subject to the following conditions: (i) the capacity is recallable by Niagara Mohawk when a customer elects to change Marketers; (ii) the capacity is recallable by Niagara Mohawk when a Marketer fails to perform its obligations under this tariff; (iii) the capacity is recallable by Niagara Mohawk when a Marketer ceases to meet the credit or security requirements of this service classification and (iv) the capacity is recallable by Niagara Mohawk if the customer discontinues service.

d. Minimum Storage Requirements

Gas Marketers participating in Monthly Balancing Service must meet Minimum Storage Inventory Levels (MSIL) on released storage capacity upstream of Niagara Mohawk's city gates or, if a Gas Marketer chooses, provide additional financial security, in the form of a Standby Letter of Credit prescribed by the Company or Advance Cash Deposit for the winter season in lieu of the MSIL as follows:

(1) **Marketer Chooses to Maintain Minimum Storage Inventory Levels**

Gas Marketers choosing to meet Minimum Storage Inventory Levels (MSIL) must meet MSIL on released storage capacity upstream of Niagara Mohawk's city gates as follows:

October 1 through October 31	MSIL equals (Marketer MPDQ x 55% x 51.6 Days) x 65%
November 1 through January 31	MSIL equals (Marketer MPDQ x 55% x 51.6 Days) x 35%
February 1 through March 15	MSIL equals (Marketer MPDQ x 55% x 51.6 Days) x 15%

If at any time from October 1 through March 15, the Gas Marketer does not meet the Minimum Storage Inventory Levels set forth above, the Company will notify the Gas Marketer that it has

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