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COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 06/01/99 SUPERSEDING REVISION:
STAMPS:
Cancelled by 1 Rev. Leaf No. 186.2 Effective 10/01/1999
RECEIVED: 04/26/99 STATUS: Cancelled EFFECTIVE: 06/01/99

SERVICE CLASSIFICATION NO. 11
LOAD AGGREGATION (continued)

Creditworthiness Determinants (continued)

2. The Company may require a Marketer/Direct Customer having the Minimum Rating to post security:
 - a. For the amount by which the Company's Credit Exposure, as discussed in this Service Classification for the Marketer/Direct Customer, exceeds 5% of the Company's gas sales revenues for 30 days.
 - b. For the full amount of the Company's credit exposure, as described in this Service Classification, if (1) the Marketer/Direct Customer or its guarantor is at the Minimum Rating and is placed on credit watch with negative implications by any of the above-mentioned rating agencies or the Company receives information that indicates that the Marketer/Direct Customer's or its guarantor's credit rating could be downgraded below the Minimum Rating or (2) the Marketer's status as a billing agent is terminated by another New York utility for failing to render timely bills to customers or to make timely payments to the utility. If in (1) the Marketer/Direct Customer's or guarantor's credit rating is not downgraded during the ensuing 60 days, the security requirement will be lifted.
3. The Company may, at its discretion, reduce or eliminate any security requirements as long as this standard is applied equitably to all Marketers, existing and new.
4. Within 10 calendar days after the Company's receipt of the Marketer/Direct Customer's Supplier Select Form 1 the Company will notify the Marketer/Direct Customer of the results of its evaluation. The Company will provide the rationale for its determination and the calculation supporting the credit limit and any resulting security requirement. The Company will perform its credit evaluation and associated security calculation in a non-discriminatory manner.

Issued By: Darlene D. Kerr, Executive Vice President, Syracuse, New York