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COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 1
INITIAL EFFECTIVE DATE: 11/01/99 SUPERSEDING REVISION: 0
STAMPS: Issued in Compliance with order in C. 99-G-0170 et.al. dated 10/15/99.
Cancelled by 2 Rev. Leaf No. 131 Effective 08/01/2000
RECEIVED: 10/29/99 STATUS: Cancelled EFFECTIVE: 11/01/99

GENERAL INFORMATION

29. Cashout of Imbalances

Applicable to Service Classification Nos. 5, 7, 8, 9, 13 and Pooled Aggregation under Service Classification 11. When this tariff provides for a cashout of imbalances, Niagara Mohawk will pay the aggregator or customer involved for any net overdeliveries of gas, and will charge the Customer or aggregator for any net underdeliveries. For purposes of imbalance cashouts, 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 an aggregator, 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. An overdelivery exists when deliveries exceed consumption multiplied by the Factor of Adjustment.

Payment for overdeliveries will be based on the Company's Weighted Average Commodity Cost of Gas (WACCOG), as defined in Rule 17.3.1, during the month in which the balancing period occurs. Charges for underdeliveries will be based on the Company*s Average Cost of Gas as computed in accordance with Rule 17.3.

a. Monthly Cashout:

Customers and aggregators who are subject to monthly cashout of imbalances will be cashed out at the following rates:

1. For underdeliveries:

MONTHLY IMBALANCE LEVEL	**CHARGE PER THERM**
0 to 2%	Average Cost of Gas
>2% to 10%	110% of Average Cost of Gas
>10% to 15%	120% of Average Cost of Gas
>15% to 20%	130% of Average Cost of Gas
>20%	140% of Average Cost of Gas

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

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