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COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 4

INITIAL EFFECTIVE DATE: 04/01/99 SUPERSEDING REVISION: 3

STAMPS: Issued in Compliance with order of PSC in C. 97-G-1380 dated 11/03/98.

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SERVICE CLASSIFICATION NO. 11 LOAD AGGREGATION (continued)

Balanced Aggregation Service (continued)

- c. Release of Capacity. All CNG capacity allocated to the Balanced Aggregation Service customers of a single aggregator will be released by Niagara Mohawk to the aggregator on behalf of the customer in a prearranged capacity release transaction at maximum demand rates in accordance with the capacity release provisions of the tariffs of the applicable pipelines. The term of each such release will be up to one year. All releases will be made subject to the following conditions: (1) the capacity is recallable by Niagara Mohawk when a customer elects to change aggregators; (2) the capacity is recallable by Niagara Mohawk when an aggregator fails to perform its obligations under this tariff; (3) the capacity is recallable by Niagara Mohawk when an aggregator ceases to meet the credit or security requirements of this service classification; and (4) the capacity is recallable by Niagara Mohawk if the Customer discontinues service under this Service Classification.
- d. <u>Termination of Sales Service</u>. Upon commencement of Balanced Aggregation Service to a customer, sales service by Niagara Mohawk will terminate and Niagara Mohawk will have no further obligation to maintain the availability of gas supplies for the non-residential Customer. The Company will maintain availability of gas supplies for residential customers. Costs for maintaining such supplies will be recovered as a standby charge per MPDQ.

Issued By: <u>Darlene D. Kerr, Executive Vice President, Syracuse, New York</u>