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 COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 1  
 INITIAL EFFECTIVE DATE: 11/16/98 SUPERSEDING REVISION: 0  
 STAMPS:  
 Cancelled by 2 Rev. Leaf No. 193 Effective 04/01/1999  
 RECEIVED: 10/16/98 STATUS: Cancelled EFFECTIVE: 11/16/98  
 SERVICE CLASSIFICATION NO. 11  
 LOAD AGGREGATION (continued)

Balanced Aggregation Service (continued)

i. Daily Scheduling Charges (continued)

2. For overdeliveries (when deliveries exceed the amount required by the Aggregator Flow Order [AFO], Niagara Mohawk may reject the excess nomination or make the following payments:

DAILY IMBALANCE LEVEL	PAYMENT PER THERM
0 to 2%	WACCOG.
>2% to 10%	90% of WACCOG.
>10% to 15%	80% of WACCOG.
>15% to 20%	70% of WACCOG.
>20%	60% of WACCOG.

WACCOG is equal to the Average Commodity Cost of Gas as defined in Rule 17.12.3.1

j. Balancing Service. There are no daily or monthly balancing requirements for customers or aggregators participating in Balanced Aggregation Service. All Balancing will be provided by Niagara Mohawk.

(i) Rate. Balanced Aggregation Service customers will be charged a storage utilization rate per therm of \$ 0.49493 multiplied by a Maximum Balancing Quantity calculated in accordance with Special Condition B at the end of this Service Classification. This rate will remain in effect through October 31, 1999, the end of the settlement term in the Company's Rate Proceeding Case No. 95-G-1095.

k. Return to Sales Service. A customer may return to Sales Service if Niagara Mohawk, in its judgment, has adequate supplies of gas and upstream capacity available to serve the customer and the customer authorizes Niagara Mohawk to recall the upstream pipeline capacity previously released to the customer. If capacity allocated to a customer is recalled from the customer's aggregator pursuant to paragraph d. above, the customer will be provided Sales Service for the balance of the month in which the recall occurred, and for two months thereafter. A customer who does not obtain a qualified aggregator within this period, will be required to remain on Sales Service for the minimum term of one year calculated from the first day of the month in which the recall occurred.

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