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COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 0
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GENERAL INFORMATION

3. PRIORITY OF SERVICE (continued)

3.2 Company's Obligations for Transportation and Aggregation Options
(continued)

3.3.2 Waiver of Cashout

Under circumstances in which the Company orders customer interruption and does not divert gas, affected customers or aggregators for affected customers will not be assessed cashout-charges for overdelivered volumes that resulted from the interruption. The overdelivered volumes resulting from the interruption will be included in the calculation of the customer or aggregator month end imbalance. In the event that a net overdelivery imbalance results, the customer or aggregator will be credited an amount up to the volumes that were overdelivered as a result of the Company's interruption order and any remaining imbalance will be cashed out. The remaining volume as a result of the Company's interruption order will be rolled-over to the subsequent month. The "rolled-over" overdelivery imbalance will be considered the first gas delivered for the customer or aggregator in the subsequent month.

For customers that are part of an aggregated pool, notification of the interruption will continue to be made directly to the customer. The Company will then contact the customer's aggregator to notify the aggregator of the interruption and obtain from the customer's aggregator the volumes of the aggregator gas that were allocated to the interrupted customer. This volume allocation, subject to verification by the Company, will be the basis for determining the aggregator's overdelivery as a result of the Company's interruption order. The Company will use the last available daily meter data for the interrupted customer for the purpose of verifying the aggregator's volume allocation or to determine the overdelivery volume associated with the interruption in the absence of an aggregator provided volume allocation.

3.4 Long Term Curtailment - for Customers Purchasing Gas Supplies from the Company and Human Needs Customers

Long Term Curtailment will be defined by the Company as curtailment which is not covered under short term curtailment set forth in Rule 3.3 above.

Issued By: Albert J. Budney, Jr., President, Syracuse, New York