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COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 3
INITIAL EFFECTIVE DATE: 08/01/00 SUPERSEDING REVISION: 2
STAMPS: Issued in Compliance with Order of PSC in C. 99-G-0336 dated 07/27/00.
RECEIVED: 07/31/00 STATUS: Effective EFFECTIVE: 08/01/00
SERVICE CLASSIFICATION NO. 11
LOAD AGGREGATION (continued)
Marketer/Direct Customer Eligibility (continued)

g. The Marketer Demonstrates to Niagara Mohawk that it is designated in writing as the entity to provide aggregation service on their behalf by customers on the Niagara Mohawk system who have historic or projected aggregate annual natural gas usage of 50,000 therms or more. The 50,000 therm load requirement applies separately to each type of service (Daily Balancing, and Monthly Balancing) offered by the marketer.

h. The Company will provide to a customer a list of the current eligible Marketers as of the date of the customer's request.

Creditworthiness

a. Applicability These standards apply to Marketers and Direct Customers. Each entity must qualify on an individual basis.

(i) A Marketer/Direct Customer's participation in the Company's Supplier Select Program is contingent upon the Marketer/Direct Customer meeting the credit requirements set forth in this Service Classification.

(ii) Credit appraisals and security requirements will be reviewed by the Company annually, at a minimum, and adjusted as financial evaluations dictate.

(iii) No security is required in situations where, and to the extent, Company bills customers on behalf of a Marketer under the Company's One Bill Option and has the right to retain funds collected by the billing to off-set utility charges (e.g., imbalance charges).

Creditworthiness Determinants

1. A Marketer/Direct Customer can satisfy the Company's credit requirement by:

a. The Marketer or its guarantor having a minimum rating of "BBB" from S&P or Fitch, or a "Baa2" from Moody's.

b. The Marketer having a minimum "1A2" rating from Dun & Bradstreet coupled with 24 months good payment history with the Company, but unsecured credit will be limited as indicated below. The Company will require a Marketer to post security to cover the Marketer's credit exposure in excess of the following limits:

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