Received: 07/31/2000 Status: CANCELLED Effective Date: 08/01/2000

..DID: 12699

..TXT: PSC NO: 218 GAS LEAF: 132 COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 2

INITIAL EFFECTIVE DATE: 08/01/00 SUPERSEDING REVISION: 1

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

GENERAL INFORMATION

29. Cashout of Imbalances (continued)

MONTHLY IMBALANCE TRADING:

Marketers operating under S.C. 11 may avoid monthly cashout charges by arranging with each other to trade offsetting monthly imbalances with other Marketers on the Niagara Mohawk system. All imbalance trading will be subject to final approval by the Company. Niagara Mohawk will endeavor to make imbalance information available to Marketers by 5:00 P.M. on the fourth business day following the close of the month. An imbalance trade, may be effectuated by written/electronic notice by all affected parties to Niagara Mohawk delivered prior to 5:00 P.M. on the seventh business day following the close of the month. The notice must include the names and authorized signatures of the trading parties, and must specifically state which party is to be assessed cashout charges for any remaining net imbalance.

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