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COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 5
INITIAL EFFECTIVE DATE: 04/01/99 SUPERSEDING REVISION: 4
STAMPS: Issued in Compliance with order of PSC in C. 97-G-1380 dated 03/24/99.
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RECEIVED: 03/31/99 STATUS: Cancelled EFFECTIVE: 04/01/99
SERVICE CLASSIFICATION NO. 11

LOAD AGGREGATION (continued)

Balanced Aggregation Service

a. Eligibility. Balanced Aggregation Service is available to customers who have taken service under Service Classification Nos. 1, 2, 3, 5 DCA, and 7 DCA, 12 & 13, who have met the term provisions of their respective service classifications. To receive Balanced Aggregation Service, Aggregator Form 2 must be completed by the Customer*s approved aggregator and submitted to the Company electronically through the Company*s web site or via fax not later than the 11th of the month prior to the month service is to commence. If the Company does not have access to the Customer's meter, the Company will attempt to contact the Customer for a reading provided by the Customer. If no reading is provided, no conversion to Aggregation will occur.

Allocation of Upstream Capacity

1) All customers electing Balanced Aggregation Service will be allocated Niagara Mohawk*s firm transportation capacity on CNG Transmission Corp. Niagara Mohawk*s capacity upstream of CNG will be available on a voluntary basis to customers electing Balanced Aggregation if in the Company*s sole discretion, it has adequate capacity available. The amount of capacity allocated, called the Customer*s "Upstream MDQ" will be determined in accordance with Special Condition A of this Service Classification.

2) Aggregators accepting assignment of capacity upstream of CNG will be subject to the Capacity Release Credit Surcharge. A Capacity Release Surcharge/(Credit) will be applied each month to the total monthly quantity of capacity released by the Company to the Aggregator. The per therm charge is calculated by subtracting the Aggregator*s actual cost per therm of released pipeline capacity from the Company*s weighted average cost of capacity. The Company*s weighted average cost of capacity will be determined monthly and will be filed with the New York State Public Service Commission. This calculation results in a per therm surcharge when the difference yields a positive result; and a per therm credit when the difference is negative. The Capacity Release Surcharge/(Credit) will be billed to the Aggregator

3) Any aggregator that demonstrates that it has sufficient non-recallable primary firm capacity or supply on CNG or Empire delivered to Niagara Mohawk*s system will not be required to take a mandatory assignment of Niagara Mohawk*s CNG Capacity. The aggregator must demonstrate ownership of non-recallable primary firm capacity or supply by providing a CNG contract number that can be verified with CNG to be non-recallable primary firm delivery to Niagara Mohawk by the 18th of the month preceding the month of service. If the aggregator has non-recallable primary firm capacity or supply on Empire delivered to Niagara Mohawk*s system, the aggregator must demonstrate ownership of that capacity by providing an affidavit by the 18th of the month preceding the month of service. If a firm contract number or affidavit is not provided to the Company by the required date, CNG capacity will be released to the aggregator per the terms of this service classification. The amount of capacity allocated to the customer, called the customer*s "Upstream MDQ" will be determined in accordance with Special Condition A of this Service Classification. All balancing will be provided by Niagara Mohawk. Delivery service to Balanced Aggregation customers will be provided as set forth in Rule 28 of this schedule.

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