..DID: 1394 ..TXT: PSC NO: 218 GAS STATEMENT TYPE: IRS COMPANY: NIAGARA MOHAWK POWER CORPORATION STATEMENT NO: 2 INITIAL EFFECTIVE DATE: 10/01/97 STAMPS: Cancelled by Statement IRS Number 3 Effective 11/01/1997 RECEIVED: 09/26/97 STATUS: Cancelled EFFECTIVE: 10/01/97 INTERRUPTIBLE RATE STATEMENT Applicable to Billings for Service Classification No. 4 (Inclusive of both NMGAS and former NM Suburban Gas Inc. Customers)

Per Dt **Calendar Month Rate:** \$3.60 (Not less than the Adjusted Commodity Cost of Gas and not more than the Firm Gas Price) Adjusted Commodity Cost of Gas: Average Commodity Cost \$3.0323 Average Commodity Cost *Adj for GRT 0.9575 \$3.1669 Adjusted for \$0.10 \$3.2669 Equivalent Gas - Oil Price: Average No. 6 Oil, 1.0% Sulphur \$2.57 Adjusted for 95% \$2.44 Firm Gas Price: Tail Block P.S.C. No. 218, S.C. 3 \$4.0000 Adjusted for Commodity Cost Adjustment \$4.8796 *Adj for GRT 0.9575 \$5.0962

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