

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 05/20/09
STAMPS: Issued in Compliance with Order of PSC in Case 08-G-0609 dated 05/15/09.

LEAF: 153
REVISION: 3
SUPERSEDING REVISION: 1

**SERVICE CLASSIFICATION NO. 8
GAS TRANSPORTATION SERVICE WITH STANDBY SALES SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Firm transportation of customer-owned gas, by the Company for customers that are capable of consuming at least 1,000,000 therms annually, subject to Special Provisions hereof.

New applications for service will be accepted only if Company in its sole discretion can secure supply up to nominated levels and the Company is able to service the customer on a firm basis.

CHARACTER OF SERVICE:

Delivery of customer-owned gas will be at a pressure approved by the Company. Customer-owned gas to be transported by the Company must be of pipeline quality having a minimum BTU value of 1,000 BTU per cubic foot on a dry basis. The gas quality must meet the Public Service Commission's rules and regulations regarding concentrations of hydrogen sulfide, total sulfur and ammonia. Filtration of dust and liquid hydrocarbons, and water removal will be required.

BTU ADJUSTMENT:

Customer-owned gas will be converted from volumetric measurement in CCF to therm measurement, 100,000 BTU per therm on a dry basis, if required, at the point customer-owned gas enters the Company's distribution system. The factor for converting CCF measurement to therm measurement will be as set forth in Rule 14.3.

DEFINITIONS:

For the purposes of this Service Classification, the following terms are defined below:

1. Daily Nominated Standby Quantity means the quantity in therms of standby sales service nominated on a daily basis by the customer/marketer not to exceed the Daily Elected Contract Demand Level.
2. Daily Weighted Average Cost of Gas is defined as the weighted average price of flowing supply and storage withdrawals, including variable transportation and fuel costs, to the citygate for that day.
3. Daily Contract Demand Rate per therm of MPDQ will be set forth on the Statement of Transportation Rate Adjustment.
4. Daily Elected Contract Demand (D1 Election) means the maximum daily quantity of standby sales gas which a customer may use as specified on their Application for Service Form T as set forth in the Company's Gas Transportation Operating Procedures Manual. The Customer's D1 Election may not exceed their Maximum Peak Day Quantity.
5. Maximum Peak Day Quantity (MPDQ) means the maximum quantity of gas that the customer may take on any winter day. Customer's MPDQs will be calculated according to the Base and Thermal Methodology.
6. "Base and Thermal Methodology" - "Daily Baseload" equals the customer's average daily usage in the two months of lowest daily usage during the period of June through September. Annual Baseload equals Daily Baseload multiplied by 365. Thermal usage equals total usage during the twelve-month period minus Annual Baseload. "Degree Day Usage" equals Thermal Usage divided by the total number of degree days during the twelve-month period. The Maximum Peak Day Quantity equals the product of Degree Day Usage multiplied by 75 plus Daily Baseload.

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