

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 06/23/08

LEAF: 157
REVISION: 2
SUPERSEDING REVISION: 1

**SERVICE CLASSIFICATION NO. 8
GAS TRANSPORTATION SERVICE WITH UPSTREAM PIPELINE CAPACITY RESERVATION
(CONTINUED)**

SPECIAL PROVISIONS: (continued)

11. Customers served under this Service Classification will submit to the Company their D1 Election, annually, and will be assigned upstream pipeline capacity in volumes up to their D1 Election. This upstream capacity will have primary firm delivery rights to the Company's East or West gate, depending on the customer's geographic location. The D1 Election may be any quantity, including zero except that requests for increased D1 Contract Demands are subject to Company approval. The purpose of the contract demand level is to insure the customer that firm upstream capacity, up to the elected D1 level, will be available, and to provide the customer the right to return to a sales service only classification up to the elected level at a future time. The term of the customer's D1 Election will be one year and renewable on a year-to-year basis. The D1 Election represents the maximum amount of upstream pipeline capacity to be assigned for each respective period. The D1 Election also represents the customer's Core Load; therefore, the difference between the customer's Maximum Peak Day Quantity and D1 Election, if any, would be considered non-core load.

Human Needs Customers must submit to the Company a D1 Election sufficient to cover full peak day requirements which are not covered by dual fuel capability.
12. Service Classification No. 8 customers may elect to return their total gas requirements to an appropriate full sales service classification in accordance with the TERM section of this rate schedule after a review by the Company is conducted to determine whether the customer's total requirements can be served with the return of its assigned capacity. If it is determined that the customer's total requirements can be supported on a full sales service classification, the customer may migrate to the sales service classification upon completion of the current term of service on S.C. No. 8 and return of its assigned capacity. If the Company's review determines the total requirements can not be served, the customer must remain on the S.C. No. 8 rate schedule using elected D1 Contract released capacity to support their gas requirements until such time as the Company indicates that full sales service can be supported.
13. Service taken under this Service Classification may be eligible for a limited-duration bill reduction treatment as described in Rule 22, 23, & 24 of the **GENERAL INFORMATION** Section of this tariff.
14. Niagara Mohawk's obligations to deliver customer-owned gas are defined in Rule 3.2 of **GENERAL INFORMATION**.

Issued By: William F. Edwards, President, Syracuse, New York