

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

LEAF: 112
REVISION: 1
SUPERSEDING REVISION: 0

GENERAL INFORMATION

26. GAS NET REVENUE SHARING MECHANISM: (continued)

26.2 S.C. 4 and S.C. 6 Delivery Service Revenue Sharing:

- 26.2.1 Eighty percent (80%) of the difference between the Delivery Service Target for S.C. Nos. 4 and 6 as defined in Rule 26.1 and the actual S.C. 4 and 6 delivery service revenues will be flowed through as an increase or decrease to the Gas Delivery Service Rates of S.C. 1, 2, and 3.

26.3 S.C. 9 Delivery Service Revenue Sharing:

- 26.3.1 One hundred percent (100%) of the difference between the Delivery Service Target for S.C. 9 as defined in Rule 26.1 and the actual S.C. 9 delivery service revenues, as adjusted in paragraphs 26.3.2, 26.3.3, and 26.3.4 below, will be flowed through as an increase or decrease to the Gas Delivery Service Rates of S.C. 1, 2 and 3.
- 26.3.2 The actual S.C. 9 delivery service revenues shall exclude the delivery service revenues associated with S.C. 8 customers who may transfer to S. C. No. 9.
- 26.3.3 If a S.C. 9 customer should transfer to S.C. 8, delivery service revenue for the entire twelve-month period associated with the customer will be credited to S.C. 9 delivery service revenues as if there were no transfer.
- 26.3.4 Niagara Mohawk will be entitled to retain delivery service revenues from S.C. 9 contracts at locations which have no preexisting facilities or whose facilities are not adequately sized to accommodate the new demand. Delivery service revenues retained by the Company must be incremental to those which may be obtained from existing gas equipment, provided that service to such new locations require investments by the Company in excess of those required for service lines, regulation and metering. If construction of a main extension is required, and such extension is off a main installed to serve an existing or past S.C. 9 customer, a portion of the delivery service revenues generated by the new contract will be shared with ratepayers. The allocation between Niagara Mohawk and ratepayers shall be established using principles associated with the Commission's gas main extension policy.

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