

PSC NO: 218 GAS  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: 11/01/03

LEAF: 108  
REVISION: 10  
SUPERSEDING REVISION: 9

STAMPS: Issued in Compliance with Order of PSC in Case 02-M-0515 dated 04/24/03.

#### GENERAL INFORMATION

17. ADJUSTMENT OF RATES IN ACCORDANCE WITH CHANGES IN THE COST OF PURCHASED GAS:  
(continued)

17.8 Cashout/Rollover/Penalty Revenues

All revenues billed and collected as a result of Rollover Balances from Service Classification No. 9 customers, cashouts collected from Marketers/Direct Customers participating in Daily Balancing and Minimum Storage Requirement revenues collected from customers participating in Monthly Balancing under Service Classification No. 11, Monthly Balancing Charge Revenues collected from Marketers under S.C. No. 11 and Operational Flow Order Revenues received from Marketers/Direct Customers participating in Daily or Monthly Balancing under S.C. 11, shall be refunded to customers served under S.C. Nos. 1, 2, 3 and 12 taking Gas Supply Service through the Monthly Cost of Gas Rate as stated in Rule 17.3.

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