

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 08/01/03

LEAF: 149
REVISION: 0
SUPERSEDING REVISION:

**SERVICE CLASSIFICATION NO. 7
SMALL VOLUME FIRM GAS TRANSPORTATION SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Firm transportation of customer-owned gas, on a "Best Efforts" basis by the Company, in minimum annual quantities of not less than 50,000 Therms but not greater than 250,000, also subject to Special Provisions hereof.

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 the 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 purpose of this Service Classification the following terms have the meanings stated below:

1. 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.
2. "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.

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