

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

LEAF: 34
REVISION: 0
SUPERSEDING REVISION:

GENERAL INFORMATION

3. PRIORITY OF SERVICE: (continued)

3.4.3.1 Five (5) days of alternate fuel requirement for S.C. 9 and S.C. 14 customers as set forth in rule 3.4.2 will be computed by using the customer's Maximum Winter Burn on a daily basis. The Maximum Winter Burn shall be equal to the customer's maximum daily delivery quantity set forth in the customer's service agreement.

3.4.3.2 The customer shall have the ability to request a revision to the alternate fuel requirement as computed in this paragraph, if the customer can demonstrate to the Company's satisfaction that it can support a different alternate fuel requirement. The Company shall, however, have the sole discretion to accept any requested revisions.

3.4.4 Additional Charges for Non Compliance:

3.4.4.1 If the customer fails to meet the requirements of Rule 3.4.1, 3.4.2, and Rule 3.5 below, as of November 1 of each heating season or becomes noncompliant during the winter period, the customer will be billed an additional charge for the billing period during which the noncompliance becomes known and any subsequent periods during which the noncompliance continues.

3.4.4.1.1 S.C. 4 customer's bills, who are in noncompliance under Rule 3.4 of this rate schedule will have their invoices subject to an additional charge in addition to any other applicable charges. The additional charge will be equal to the difference between the billed rate per therm exclusive of Gross Revenue Tax and the alternative rate per therm exclusive of Gross Revenue Tax multiplied by the customer's metered consumption. The alternative rate will be equal to the higher of (1) the customer's billed rate per therm exclusive of Gross Revenue Tax plus ten percent or (2) the average of the equivalent per therm rate for the customer's alternate fuel type of the City of Albany or Syracuse as appropriate from the Journal of Commerce and Bloomberg's Oil Buyers Guide plus 30 percent.

3.4.4.1.2 S.C. 6 customer bills, who are in noncompliance under Rule 3.4 of this rate schedule will have their invoices subject to an additional charge. The additional charge will be equal to the incremental rate calculated in Rule 3.4.4.1.1 above times the customer's metered consumption.

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