

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

LEAF: 128
REVISION: 0
SUPERSEDING REVISION:

**SERVICE CLASSIFICATION NO. 1
RESIDENTIAL DELIVERY SERVICE AND GAS SUPPLY SERVICE OR
RESIDENTIAL DELIVERY SERVICE ONLY (CONTINUED)**

SPECIAL PROVISIONS APPLICABLE TO DELIVERY SERVICE ONLY CUSTOMERS: (continued)

2. As between the Company and the customer, the Company shall be deemed to be in control and possession of the gas to be transported hereunder upon receipt of such gas at the receipt point and until it has been delivered to the customer. The customer shall be deemed to be in possession and control of the gas prior to such receipt by the Company and after such delivery.
3. The Company reserves the right to reject any application for service under this Service Classification where, in the sole discretion of the Company, the provision of service would or might result in a reduction in the Company's rights or ability to receive service, purchase gas or utilize capacity on the transmission system of its pipeline supplier(s), impair or interfere with the Company's operations, or impose costs in excess of those subject under these rates.
4. Customers participating in Monthly Balancing must pay a stand-by charge per therm of MPDQ as set forth on the Statement of Transportation Rate Adjustment.
5. Each customer under this Service Classification warrants that it will, at the time the Company receives the gas for transportation, have good and merchantable title to all such gas free and clear of all liens, encumbrances and claims whatsoever. The customer shall indemnify the Company and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising out of the adverse claims of any or all persons to said gas including claims for any royalties, taxes, license fees, or charges applicable to such gas or to the delivery of such gas to the Company for transportation.

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