

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

LEAF: 125
REVISION: 0
SUPERSEDING REVISION:

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

MERCHANT FUNCTION CHARGE:

Customers purchasing their Gas Supply Service from the Company will be subject to a Merchant Function Charge of 2.222 cents per therm. This charge reflects the costs associated with procuring gas supplies.

BALANCING:

Customers not purchasing their gas supply from Niagara Mohawk will be subject to Monthly Balancing under Service Classification No. 11 - Load Aggregation.

BTU ADJUSTMENT:

Volumes of gas registered at the customer's meter, in CCF, will be adjusted for BTU content, in Therms, as stated in Rule 14.3.

INCREASE IN RATES AND CHARGES:

The rates and charges under this service classification, including Monthly Delivery Service, Monthly Cost of Gas, Merchant Function Charge and Minimum Charge, will be increased by a tax factor pursuant to Rule 19.

TERMS OF PAYMENT:

Bills are due and payable. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of one and one-half percent (1 1/2%) pursuant to Rule 15.2.

TERM:

One month and thereafter until terminated by forty-eight hours notice to the Company. For customers switching energy suppliers, the request shall be submitted to the Company not later than 10 calendar days prior to the month service is to commence. The actual switch will then occur on the customer's regular meter reading date.

SPECIAL PROVISIONS APPLICABLE TO BOTH DELIVERY SERVICE ONLY AND CUSTOMERS ALSO PURCHASING GAS SUPPLY FROM NIAGARA MOHAWK:

1. Written application may be required. See Paragraph 2.1 of Rules and Regulations.
2. Whenever service is supplied where extension of distribution main facilities for service is requested, construction will be in accordance to Rule 10 of this schedule.
3. Customers converting to gas space heating without complying with the Company's minimum insulation requirements, Rule 4.10.3, or found in non-compliance with the appropriate minimum insulation requirements for new dwellings Rule 4.10.2, will be required to pay a surcharge of 25 percent of their total bill for electric and/or gas services. Refer to Rules 4.10.2.5 or 4.10.3.4, Penalties for Non-compliance, for the application of the surcharge.

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