

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

LEAF: 224
REVISION: 0
SUPERSEDING REVISION:

SERVICE CLASSIFICATION NO. 14
GAS TRANSPORTATION SERVICE FOR DUAL FUEL ELECTRIC GENERATORS (CONTINUED)

SPECIAL PROVISIONS: (continued)

4. The Minimum Annual Bill should be based on the cost components of Special Provision 8A Sections 1, 2, and 3 above and reflect no less than 50% of the generators Maximum Annual Quantity. For low capacity factor generators, the resultant rate should be no greater than the otherwise applicable interruptible transportation tariff. The Service Agreement will specify the dollar amount to be associated with the Minimum Annual Bill.
- B. Taxes or Surcharges:

Customer will pay Niagara Mohawk such taxes or surcharges as Niagara Mohawk is at the time of the service then authorized or required by tariff, law regulation, rule, or order of a Government Authority to collect from transportation customers such as customer.
- C. Fuel:

Niagara Mohawk will be entitled to retain, at no charge, from the quantities of gas tendered by customer at the Receipt Point, a quantity of gas equal to Losses.
- D. Billing and payment will be made in accordance with the terms of the tariff. Bills are due when rendered. 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%).
- E. If a discrepancy exists between the Transportation Quantity indicated by the customer and by the upstream pipeline(s), the latter quantity shall be billed to the customer.
- F. If the Company terminates the Customer's Service Agreement, during the initial five (5) year period or extension thereto, for failure to pay for service rendered hereunder, all moneys due under the Service Agreement, including future Minimum Annual Bills, will become due and payable.
9. Pressure and Quality:
 - A. Pressure and Quality Specifications:

All gas tendered or caused to be tendered by customer to Niagara Mohawk for transportation under this Service Classification will meet the pressure and quality specifications contained in the Tariff. In the event such gas does not meet any of those specifications, Niagara Mohawk is entitled to reject such gas and refuse to perform any further transportation services under this Service Classification until customer's gas meets all such specifications.

In cases where the customer desires delivery pressure above existing tariff levels, the Company shall include in the Service Agreement or as a component of the contribution in aid of construction the recovery of the costs for these incremental facilities and incremental operating expenses.

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