

PSC NO: 219 GAS
 NIAGARA MOHAWK POWER CORPORATION
 INITIAL EFFECTIVE DATE: 09/01/03
 STAMPS: Issued in Compliance with Order of PSC in Case 01-M-0075 dated 12/03/01.

LEAF: 111
 REVISION: 1
 SUPERSEDING REVISION: 0

GENERAL INFORMATION

24. ECONOMIC REVITALIZATION INCENTIVE RIDER FOR S.C. 3 LARGE GENERAL SERVICE, S.C. 5 FIRM TRANSPORTATION SERVICE OR S.C. 8 TRANSPORTATION SERVICE WITH STANDBY SALES SERVICE: (continued)

- 24.6 A qualified applicant will receive reductions to their monthly service bills by the discounts per term stated in Rule 24.3.
- 24.7 Provided the applicant continues to be eligible, the incentive rate reduction in effect at the time of qualification as stated in Rule 24.3 will be applied, without modification, to the applicant's bill for the five year discount period, after which time the customer will no longer be qualified for the Economic Revitalization Incentive Rider.

25. ECONOMIC DEVELOPMENT DISCOUNT LIMITATION CLAUSE:

- 25.1 The Company will establish a cap on the maximum incremental discount amount of net revenue for new applicants the Company is willing to allow in any annual period. This limitation clause refers to customers served under Rule 24 of this Schedule.
- 25.2 The maximum incremental discount amount allowed in any annual period will be \$0.6 million in the aggregate for all qualifying applicants. This amount will remain in effect until superseded.

26. GAS NET REVENUE SHARING MECHANISM:

- 26.1 By November 30 of each year, the Company will submit for review and approval by the Public Service Commission, its calculation of any net revenue refund or recovery as set forth in Rule 26.2. The Gas Net Revenue Sharing Rate will be based on Delivery Service Revenue Targets approved by the Public Service Commission for Service Classification Nos. 4, 6, 9 in the most recently concluded rate proceeding for the September through August period. The Annual Delivery Service Revenue targets set forth below are applicable to the twelve month period ending August 31, 2004, and the four month period ending December 31, 2004. The annual targets will be allocated to the months based on monthly interruptible margins. The resulting factors to be applied to determine the prorated monthly interruptible margins are set forth in Appendix C to the Gas Rate and Restructuring Settlement Agreement, Case No. 99-G-0336, dated June 12, 2000.

S.C. No. 4 --	\$419,000
S.C. No. 6 --	\$4,181,000
S.C. No. 9 --	\$20,000,000
Total	\$24,600,000

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