

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: 154
 REVISION: 1
 SUPERSEDING REVISION: 0

**SERVICE CLASSIFICATION NO. 8
 GAS TRANSPORTATION SERVICE WITH STANDBY SALES SERVICE (CONTINUED)**

DEFINITIONS: (continued)

6. "Base and Thermal Methodology" - "Daily Baseload" equals the customer's average daily usage in the two months of lowest daily usage during the period of June through September. Annual Baseload equals Daily baseload multiplied by 365. Thermal usage equals total usage during the twelve-month period minus Annual Baseload. "Degree Day Usage" equals Thermal Usage divided by the total number of degree days during the twelve-month period. The Maximum Peak Day Quantity equals the product of Degree Day Usage multiplied by 75 plus Daily Baseload.

BILLING QUANTITY:

The amount of gas to be billed each month under this Service Classification by the Company to the customer will be the amount consumed by the customer during any given month. Customers electing Standby Service will be billed a demand charge based on the customer's Daily Elected Contract Demand.

The Daily Elected Contract Demand will be the maximum daily level of standby service elected by the customer regardless of whether transport or sales service is actually taken.

DEFINITION OF RATES:

1. Firm Transportation Service - All Customers:

| | Calendar Month <u>Delivery Service Rate</u> |
|--------------------------------|--|
| First 100 Therms or less | \$707.70 |
| Next 99,900 Therms, per Therm | \$0.05211 |
| Next 400,000 Therms, per Therm | \$0.04717 |
| Over 500,000 Therms, per Therm | \$0.04044 |

2. Balancing Charge - Customers electing Daily Balancing under Service Classification No. 11 will be charged a monthly balancing rate per therm calculated in accordance with Rule 17.5 of this tariff multiplied by their Maximum Peak Day Quantity, through December 31, 2000. Commencing January 1, 2001, the Balancing Charge will be charged to the customer's marketer.
3. Standby Sales Service - For standby sales service for gas purchased from the Company within the contract demand levels nominated in accordance with Special Provision 11 below, the following Calendar Month Rate will apply:
- A. Contract Demand - Customers taking service under S.C. No. 8, and electing standby service, will pay Contract Demand Charges for daily contract demand nominated pursuant to Special Provision 11, below.

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