

PSC NO: 218 GAS
 NIAGARA MOHAWK POWER CORPORATION
 INITIAL EFFECTIVE DATE: 09/01/03
 STAMPS: Issued in compliance with order in Case 01-M-0075 dated 12/03/2001

LEAF: 137.1
 REVISION: 3
 SUPERSEDING REVISION: 2

**SERVICE CLASSIFICATION NO. 2
 SMALL GENERAL DELIVERY SERVICE AND GAS SUPPLY SERVICE
 OR
 SMALL GENERAL DELIVERY SERVICE ONLY**

MONTHLY DELIVERY SERVICE RATES: (continued)

2. All Other Customers:

	<u>Delivery Service Rate</u>
First 3 Therms or less	\$19.35
Next 277 Therms, per Therm	\$0.26966
Next 4,720 Therms, per Therm	\$0.15686
Over 5,000 Therms, per Therm	\$0.05028

MONTHLY MINIMUM CHARGE:

The monthly minimum charge is \$19.35.

In addition to the minimum charge, customers may be required to pay a surcharge when service is taken from a main extension constructed in accordance with Rule 10, General Information.

MONTHLY COST OF GAS:

In addition to the above Delivery Service Charges, customers purchasing their Gas Supply Service from the Company will pay the Monthly Cost of Gas per therm of gas supplied hereunder as explained in Rule 17 of this schedule.

MERCHANT FUNCTION CHARGE:

Customers purchasing their Gas Supply Service from the Company will be subject to the 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 either Daily or 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.

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