

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: 140.1
REVISION: 2
SUPERSEDING REVISION: 1

**SERVICE CLASSIFICATION NO. 3
LARGE GENERAL DELIVERY AND GAS SUPPLY SERVICE (CONTINUED)**

MONTHLY COST OF GAS:

In addition to the above Delivery Service Charges, customers will pay the Monthly Cost of Gas per therm of Metered Usage as explained in Rule 17 of this schedule, subject to the Monthly Minimum Gas Supply Charge set forth below.

MONTHLY MINIMUM DELIVERY SERVICE CHARGE:

The Monthly Minimum Delivery Service Charge is the charge for the Ratchet Usage as defined above, but in no case less than \$782.11.

MONTHLY MINIMUM GAS SUPPLY CHARGE:

The Monthly Minimum Gas Supply Charge will be the dollars resulting from the sum of 1) the Monthly Capacity Gas Supply rate per therm as defined in this Service Classification plus twenty cents per therm, times the Ratchet Usage and 2) the Remaining Commodity Gas Supply Charges set forth below.

REMAINING COMMODITY GAS SUPPLY CHARGES:

The Remaining Commodity Gas Supply Charges are equal to Commodity Gas Supply Charges less 20 cents per therm multiplied by Metered Usage, as defined above.

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