

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: 165
REVISION: 3
SUPERSEDING REVISION: 2

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

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.

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