PSC NO: 218 GAS LEAF: 158 NIAGARA MOHAWK POWER CORPORATION REVISION: 2 INITIAL EFFECTIVE DATE: 09/01/03 SUPERSEDING REVISION: 1 STAMPS: Issued in compliance with order in Case 01-M-0075 dated 12/03/2001

SERVICE CLASSIFICATION NO. 7 SMALL-VOLUME FIRM GAS TRANSPORTATION SERVICE (CONTINUED)

DEFINITIONS: (continued)

B. "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.

TRANSPORTATION SERVICE CALENDAR MONTH RATE:

1. All Customers:

	Rate
First 2,100 Therms or less	\$303.30
Over 2,100 Therms, per Therm	\$0.10334

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