

..DID: 11054
..TXT: PSC NO: 218 GAS LEAF: 167
COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 2
INITIAL EFFECTIVE DATE: 12/18/99 SUPERSEDING REVISION: 1
STAMPS: Issued in Compliance with Order of PSC in C. 99-G-1207 dated 12/06/99.
Cancelled by 3 Rev. Leaf No. 167 Effective 08/01/2000
RECEIVED: 12/15/99 STATUS: Cancelled EFFECTIVE: 12/18/99
SERVICE CLASSIFICATION NO. 8
GAS TRANSPORTATION SERVICE WITH STANDBY SALES SERVICE (continued)

DEFINITION OF RATES: (continued)

4.1 Maximum Delivery Quantity MDQ:

For customers not participating in Service Classification No. 11, prior to the beginning of each month, Niagara Mohawk will notify the Customer of their MDQ for the upcoming month. The Customer will then have the right to request a change in their MDQ. Customers may request changes to the MDQ during the month but such changes will be made at the sole discretion of Niagara Mohawk. Niagara Mohawk has the right to change the MDQ during the month on notice to the Customer no later than 3:00 p.m. Eastern Time on the second day prior to the effective date of the change. For any deliveries in excess of the MDQ during the month the Company may reject the excess nomination or purchase the excess quantities at the following prices:

Daily
Imbalance Payment Per Therm

0 to 2%	WACCOG
>2% to 10%	90% of WACCOG
>10% to 15%	80% of WACCOG
>15% to 20%	70% of WACCOG
>20%	60% of WACCOG

WACCOG is equal to the Average Commodity Cost of Gas as defined in Rule No. 17.10.3.1.

4.2 Cashout

For Customers not participating in Service Classification No. 11 Over/Under-Deliveries will be subject to a monthly cashout in accordance with Rule 29 of this tariff. During any period in which the Company's ability to accommodate imbalances is restricted or impaired, the Company may, upon eight hours' advance notice impose a Forced Balancing Operational Flow Order ("Forced Balancing OFO"). When a Forced Balancing OFO is imposed for under-deliveries, usage must not exceed deliveries by more than 2-15% as specified in the OFO. When a Forced Balancing OFO is imposed for over-deliveries, deliveries must not exceed usage by more than 2-15% as specified in the OFO limit. Customer will be assessed a penalty of \$2.50 per day, per therm for imbalances that exceed the OFO limit. Forced Balancing OFO*s will not be used to simultaneously restrict overdeliveries and underdeliveries.

Issued By: Darlene D. Kerr, Executive Vice President, Syracuse, New York