

..DID: 10364
..TXT: PSC NO: 218 GAS LEAF: 97
COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 2
INITIAL EFFECTIVE DATE: 11/01/99 SUPERSEDING REVISION: 1
STAMPS: Issued in Compliance with order in C. 99-G-0170 et.al. dated 10/15/99.
RECEIVED: 10/29/99 STATUS: Effective EFFECTIVE: 11/01/99

GENERAL INFORMATION

17. ADJUSTMENT OF RATES IN ACCORDANCE WITH CHANGES IN THE COST OF PURCHASED GAS:
(continued)

17.3.6 The cost of purchased gas for customers taking service under Service Classification No. 4, used in the determination in Rule 17.3.1, is determined by applying the Average SC 4 Commodity Cost of Gas as defined in Rule 17.3.6.1, below, to the quantity of gas sold to Service Classification No. 4 customers during the twelve calendar months immediately preceding the computation date.

17.3.6.1 The Average SC 4 Commodity Cost of Gas, used in the determination of the cost of purchased gas for customers taking service under Service Classification No. 4 in Rule 17.3.6 above is determined by applying the variable rates and charges of the transporters, storage providers, and suppliers to the monthly billing determinants associated with transporter*s storage and gas supply for the forecasted weather normalized quantities of gas to be taken for delivery by the Company*s own sales customers during the month the Monthly Cost of Gas will be in effect (and adjusting the result so obtained by the Factor of Adjustment as defined in Rule 17.1.)

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