

..DID: 2208
 ..TXT: PSC NO: 218 GAS LEAF: 151
 COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 1
 INITIAL EFFECTIVE DATE: 05/01/98 SUPERSEDING REVISION: 0
 STAMPS:
 EFFECTIVE under authority of PSC 98-G-0099SP8 made 01/29/99
 CANCELLED by Supplement 17 effective 05/01/99
 Effective date postponed to 05/01/99. See Supplement No. 16, 13, 13, 11, 10, 7,
 RECEIVED: 01/22/98 STATUS: Cancelled EFFECTIVE: 05/01/99
 SERVICE CLASSIFICATION NO. 5
 GAS TRANSPORTATION SERVICE (continued)

2. Interruptible Transportation Service (continued)

B) Monthly Rate Provision

For customers that elect an other-than-monthly term of rate, the customer shall be billed, in any given month, the lesser of their term rate or their monthly rate. If the monthly rate is the lesser of the two rates, that rate shall only be applicable for the month that the rate is effective. Upon completion of the pertinent month, the customer shall revert to the rate applicable to their term of rate, as elected on the customer's anniversary date. This provision shall be applied during every calendar month throughout the customer's term of rate.

3.1 Maximum Delivery Quantity MDQ:

For customers not participating in Service Classification No. 11, prior to the beginning of each month, NMGas 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 NMGas. NMGas 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.

3.2 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, Niagara Mohawk may, upon eight hours advance notice, impose a Forced Balancing Operational Flow Order ("Forced Balancing OFO"). When a Forced Balancing OFO is imposed for underdeliveries, usage must not exceed deliveries by more than 2-15% as specified in the OFO. When a Forced Balancing OFO is imposed for overdeliveries, deliveries must not exceed usage by more than 2-15% as specified in the OFO. Customer will be assessed a penalty of \$2.50 per day, per therm for imbalances that exceed the OFO limit.

Issued By: Albert J. Budney, Jr., President, Syracuse, New York