

..DID: 18069  
..TXT: PSC NO: 218 GAS LEAF: 100  
COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 3  
INITIAL EFFECTIVE DATE: 02/22/02 SUPERSEDING REVISION: 2  
STAMPS:  
Effective date postponed to 03/01/02. See Supplement No. 45  
RECEIVED: 01/07/02 STATUS: Effective EFFECTIVE: 03/01/02  
GENERAL INFORMATION

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

17.5 Balancing Charges

17.5.1 Charge to Customer Through December 31, 2000

Customers who participate in Daily Balancing Service under S.C. 11 will pay a monthly Balancing Charge of \$.02838 per therm of MPDQ through August 31, 2000 and \$.024433 per therm of MPDQ through December 31, 2000. This Balancing Charge recovers the cost of storage used by transportation customers for daily balancing. The Balancing Charge is the weighted cost of storage assets under DTI's rate schedules, GSS and GSS II, times 5% of the customer's MPDQ. The 5% factor reflects the balancing service provided to the daily balancing transportation customer that is not associated with daily cashouts. The monthly balancing charge will be set forth on a statement to be filed with the Public Service Commission apart from this rate schedule not less than three (3) days prior to any change in the effective date.

17.5.2 Charge to Marketers - Effective January 1, 2001

Marketers/Direct Customers taking Daily Balancing Service under Service Classification No. 11 will be subject to a Monthly Balancing Charge of \$.024433 per therm of MPDQ for all customers contained within their Daily Balancing Pool.

17.5.2.1 Effective November 1, 2001 through October 31, 2002, the \$.024433 Balancing Charge will be subject to an adjustment of up to \$.012 per therm. The methodology for calculation of this adjustment is set forth in Appendix E, Schedule 1 of the Company's Gas Rate and Restructuring Settlement Agreement dated June 12, 2000. The resulting rate will be set forth on a Statement to be filed with the Public Service Commission apart from this rate schedule not less than three (3) days prior to any change in the effective rate.

17.5.2.2 Effective November 1, 2002 through August 31, 2003, the effective Balancing Charge will be subject to further adjustment as provided for in Appendix E Schedule 1 of the Company's Gas Rate and Restructuring Agreement dated June 12, 2000.

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