Received: 07/03/1997

Status: CANCELLED

Effective Date: 09/12/1997

..DID: 771

..TXT: PSC NO: 218 GAS LEAF: 104

COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 0

INITIAL EFFECTIVE DATE: 09/12/97 SUPERSEDING REVISION:

STAMPS:

Cancelled by 1 Rev. Leaf No. 104 Effective 12/01/1997 RECEIVED: 07/03/97 STATUS: Cancelled EFFECTIVE: 09/12/97 GENERAL INFORMATION

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

during the twelve calendar months immediately preceding the computation date, and dividing the dollars of gas commodity cost so obtained by the quantity of gas used in the computation of said cost, and adjusting the result so obtained by the Factor of Adjustment as defined in Rule 17.1.

17.11 Statement of Commodity Cost Adjustment Clause (CCAC)

The Commodity Cost Adjustment Clause, applicable to billings under Service Classification Nos. 1, 2 and 3 computed as set forth herein, will become effective the first day of the calendar month following the computation date, provided however, that the CCAC will be prorated. The Commodity Cost Adjustment Clause will continue in effect until changed. Not less than three (3) days prior to any change in the Commodity Cost Adjustment Clause resulting from this provision for adjustments of rates according to changes in the total commodity cost of purchased gas, a statement of the Commodity Cost Adjustment Clause will be duly filed with the Public Service Commission apart from this rate schedule. The statement shall contain the service classifications to which the rate adjustment applies, the base cost of purchased gas, the present average commodity cost of purchased gas, the date at which, and the period for which the present average commodity cost of purchased gas was determined, the amount of adjustment per Therm, the date when the increase or decrease in rates shall become effective and the period that the rate adjustment will remain in effect. Such statement will be available to the public at Company offices at which applications for service may be made.

17.12 Balancing Charge

- 17.12.1 Customers who do not purchase all of their gas requirements from Niagara Mohawk under Sales Service and do not participate in a Balanced Aggregation Service or Basic Aggregation Service Pool under S.C. 11 will pay a monthly Balancing Charge of \$0.02838 per therm of Maximum Peak Day Quantity. This rate will remain in effect through October 31, 1999, the end of the settlement term in the Company's Rate Proceeding Case No. 95-G-1095. This Balancing Charge recovers the cost of storage used by transportation customers for daily balancing.
- 17.12.2 Balanced Aggregation Service customers will be charged a Storage Utilization Rate of \$0.49493 per therm of Maximum Balancing Quantity. This rate will remain in effect through October 31, 1999, the end of the settlement term in the Company's Rate Proceeding Case No. 95-G-1095.

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