..DID: 785 ..TXT: PSC NO: 218 GAS LEAF: 158 COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 0 INITIAL EFFECTIVE DATE: 09/12/97 SUPERSEDING REVISION: STAMPS: Cancelled by 1 Rev. Leaf No. 158 Effective 08/01/2000 RECEIVED: 07/03/97 STATUS: Cancelled EFFECTIVE: 09/12/97 SERVICE CLASSIFICATION NO. 7 LOW-VOLUME FIRM GAS TRANSPORTATION SERVICE (continued)

DEFINITIONS: (continued)

(e) "Base and Thermal Methodology" - "Daily Baseload" equals the customer's average daily usage in the two months of lowest daily usage during the period of June through September. Annual Baseload equals Daily Baseload multiplied by 365. Thermal usage equals total usage during the twelve-month period minus Annual Baseload. "Degree Day Usage" equals Thermal Usage divided by the total number of degree days during the twelvemonth period. The Maximum Peak Day Quantity equals the product of Degree Day Usage multiplied by 75 plus Daily Baseload.

(f) "Maximum Delivery Quantity" (MDQ) - means the maximum quantity that the customer may deliver daily to the Company's City Gate. The MDQ is based on historical usage patterns and expected weather conditions but will in no case be higher than the MPDQ.

BILLING QUANTITY:

The amount of gas to be billed each month under this Service Classification by the Company to the Customer will be the amount consumed by the customer during any given month.

TRANSPORTATION SERVICE CALENDAR MONTH RATE:	All Other Customers Rate	Former PSC No. 1 NM Suburban Gas Customers Rate
First 2,100 Therms or less	\$300.00	\$275.00
Over 2,100 Therms per Therm	.10222	.10222

1. For Firm Transportation, the above rates apply, plus a Demand Gas Cost Adjustment per Therm if Special Provision A.4, below, applies.

2.1 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: