

..DID: 811
..TXT: PSC NO: 218 GAS LEAF: 100
COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 09/12/97 SUPERSEDING REVISION:
STAMPS:
Cancelled by 1 Rev. Leaf No. 100 Effective 11/01/1999
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)

17.8.2 (continued)

sales customers. GSR Adjustment Rates will be designed to collect GSR Costs currently being billed to the Company by interstate pipelines and costs previously billed and paid, but unrecovered, by the Company. Amounts collected by the Company through the GSR Adjustment Rates will be reconciled with GSR Costs billed and paid by the Company. Any resulting over or under- collection will be added to the GSR costs used to calculate the GSR Adjustment Rates for the next determination period.

17.8.2.1 Customers who have firm transportation service agreements with interstate pipelines under which they pay GSR costs directly to the pipelines will not be assessed a GSR Adjustment Rate on quantities transported on the Niagara Mohawk system that are within the customers' maximum daily entitlements under their firm transportation service agreements with the interstate pipelines. Before this exemption is allowed, a customer must provide the Company written evidence of the terms of its interstate pipeline transportation service agreement that govern the firm quality of the service, payment of GSR costs and maximum daily transportation entitlements.

17.9 Commodity Cost Index (CCI)

17.9.1 As provided by the Commission in its Opinion and Order adopted December 18, 1996, approving the stipulation and agreement reached in Case No. 95-G-1095, the Company shall implement a Commodity Cost Index during the effectiveness of the Agreement. The CCI is a mechanism which measures the Company's performance against a target derived from ninety-seven percent of the mathematical average of a New York Mercantile Exchange (NYMEX) average and the Inside FERC indices at the time of gas purchase. The NYMEX average will be based on the average of the NYMEX closing price for the last three days of the trading month. The Inside FERC portion of the target will be based on the first-of-the-month prices published in Inside FERC for receipt points at which the Company is entitled to receive gas. The calculation of the target shall be performed

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