

..DID: 12606
..TXT: PSC NO: 218 GAS LEAF: 124.2
COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 08/01/00 SUPERSEDING REVISION:
STAMPS: Issued in Compliance with Order of PSC in C. 99-G-0336 dated 07/27/00.
RECEIVED: 07/31/00 STATUS: Effective EFFECTIVE: 08/01/00
GENERAL INFORMATION

26. Gas Net Revenue Sharing Mechanism (continued)

26.3.5 If Niagara Mohawk should renegotiate any contracts containing Imbalance Services associated with customer designations 1, 3, 7 and 16 as contained in its December 15, 1998 letter, from the Manager of Revenue and Cost Allocation, to the Records Access Officer of the Commission, recovery of any revenue shortfall shall be as follows: customer designated number 1 represents \$929,930, customer number 3 represents \$656,810, customer number 7 represents \$587,920 and customer 16 represents \$1,939,600 of the \$16,542,000 S.C. No. 9 target. The actual amount of revenue received from each renegotiated contract will be compared to the target revenue amounts above each year, the difference will be the revenue shortfall. If the total revenues from all S.C. No. 9 customers exceeds the target, no additional recovery will be allowed. If the total recovery from all S.C. No. 9 customers is below the target 50% of the shortfall related to renegotiated contracts, up to the target amount, shall be collected per Rule 26.3.1. Niagara Mohawk may petition the Commission for recovery of the remaining 50% shortfall related to renegotiated contracts by providing satisfactory evidence that the renegotiated contracts are in the ratepayers interests. If approved, recovery of the remaining 50% would be recovered per Rule 26.3.1.

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