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COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 1
INITIAL EFFECTIVE DATE: 01/01/02 SUPERSEDING REVISION: 0
STAMPS: Issued in Compliance with Order of PSC in C. 01-M-0075 dated 12/03/01.
RECEIVED: 12/06/01 STATUS: Effective EFFECTIVE: 01/01/02

SERVICE CLASSIFICATION NO. 6 (continued)
LARGE VOLUME INTERRUPTIBLE TRANSPORTATION SERVICE

BILLING QUANTITY:

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

CALENDAR MONTH RATE:

The Service Classification No. 6 Interruptible Transportation Rate shall be set as follows:

- A) For customers located in the Village of East Syracuse and within the Town of Dewitt, formerly served under Service Classification No. 5 of P.S.C. No. 1 Gas for NMSuburban Gas Inc., the price per therm shall be established each month at the sole discretion of the Company. Such pricing shall be based upon the following customer characteristics: Alternate Fuel Type and price; Geographic Location, Tax Exempt/Non-Exempt Status and other market conditions. This price shall not exceed the Ceiling Rate or be less than \$0.01 per therm plus the applicable revenue taxes. All market conditions utilized in this pricing mechanism shall be clearly stated on the Monthly Statement of Gas Transportation Service Rate Adjustment for this Service Classification.
- B) For all other customers:

The first 100 therms or less: \$350.00

For consumption over 100 therms, the price per therm shall be established each month at the sole discretion of the Company. Such pricing shall be based upon the following customer characteristics: Alternate Fuel Type and price; Geographic Location, Tax Exempt/Non-Exempt Status and other market conditions. This price shall not exceed the Ceiling Rate or be less than \$0.01 per therm plus the applicable revenue taxes. All market conditions utilized in this pricing mechanism shall be clearly stated on the Monthly Statement of Gas Transportation Service Rate Adjustment for this Service Classification.

ANNUAL LOCK-IN RATE:

The Service Classification No. 6 Interruptible Transportation Annual Lock-In Rate shall be set as follows:

For each Calendar Month Rate established monthly a corresponding Annual

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Lock-In Rate will be established at the sole discretion of the Company. The Annual Lock-In Rate shall not exceed the Ceiling Rate or be less than \$0.01 per therm plus applicable revenue taxes.

STATEMENT OF TRANSPORTATION RATES:

The effective Calendar Month and Annual Lock-In Rates for transportation service applicable to billing for Service Classification No. 6 will be duly filed with the Public Service Commission apart from this rate schedule not less than three (3) days prior to the first of each month. Such statement will be available to the public at the Company*s offices at which application for service may be made and on the Company*s website at www.nimo.com.

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