

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 08/01/15
STAMPS:

LEAF: 219.2
REVISION: 3
SUPERSEDING REVISION: 2

SERVICE CLASSIFICATION NO. 14
GAS TRANSPORTATION SERVICE FOR DUAL FUEL ELECTRIC GENERATORS (CONTINUED)

2. **Marginal system costs**, which should reflect the unitized long run incremental costs of building transmission and high capacity distribution plant, which may be updated from time to time. The current value is \$.017 per therm of gas transportation service.
3. **Value Added Charge**, determined in accordance with the definition of Value Added Charge in Section E of this Service Classification.
4. The sum of the per therm charges listed in 1, 2 and 3 above shall not exceed the per therm charge of the otherwise applicable interruptible transportation service. If this condition exists, the Company shall reduce the Value Added Charge such that the sum of these charges is capped at the applicable interruptible transportation service rate.
5. **The Minimum Annual Bill**, should be based on the cost components 1, 2 and 3 above and reflect no less than 50% of the generators Maximum Annual Quantity. For low capacity factor generators, the resultant rate should be no greater than the otherwise applicable interruptible transportation service rate. The Service Agreement may specify the dollar amount to be associated with the Minimum Annual Bill.

G. STATEMENT OF RATES:

All surcharges or refunds applicable to billings for Service Classification No. 14 will be duly filed with the P.S.C. apart from this rate schedule, not less than three (3) days prior to the first of each month.

H. INCREASE IN RATES AND CHARGES:

The rate and charges under this service classification will be increased by a tax factor pursuant to **GENERAL INFORMATION** Rule No. 19 of the tariff.

I. TERMS OF PAYMENT:

Bills are due and payable. Full payment must be received on or before the date shown on the bill to avoid a potential late payment charge of one and one-half percent (1½%).

J. TERM:

The term of the Service Agreement (Term) will commence as of the Effective Date and will continue for five (5) Contract Years. If the Company terminates the Customer's Service Agreement, during the initial five (5) year period or extension thereto, for failure to pay for service rendered hereunder, all moneys due under the Service Agreement, including future Minimum Annual Bills, will become due and payable.

Issued By: Kenneth D. Daly, President, Syracuse, New York