Received: 07/27/1998 Status: CANCELLED Effective Date: 08/01/1998

..DID: 4658

..TXT: PSC NO: 218 GAS STATEMENT TYPE: IRS

COMPANY: NIAGARA MOHAWK POWER CORPORATION STATEMENT NO: 12

INITIAL EFFECTIVE DATE: 08/01/98

STAMPS:

Cancelled by Statement IRS Number 13 Effective 09/01/1998

RECEIVED: 07/27/98 STATUS: Cancelled EFFECTIVE: 08/01/98

INTERRUPTIBLE RATE STATEMENT

Applicable to Billings for Service Classification No. 4 (Inclusive of both NMGAS and former NM Suburban Gas Inc. Customers)

Per Dt

Calendar Month Rate: \$2.30

(Not less than the Adjusted Commodity Cost of Gas and not more than the Firm Gas Price)

Adjusted Commodity Cost of Gas:

Average Commodity Cost \$1.8766 Adjusted for \$0.10 \$1.9766

Equivalent Gas - Oil Price:

Average No. 6 Oil, 1.0% Sulphur \$2.16 Adjusted for 95% \$2.05

Firm Gas Price:

Tail Block P.S.C. No. 218, S.C. 3 \$4.0000 Adjusted for Commodity Cost Adjustment \$3.7824

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