

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 05/20/09
STAMPS: Issued in Compliance with Order of PSC in Case 08-G-0609 dated 05/15/09.

LEAF: 94
REVISION: 5
SUPERSEDING REVISION: 3

GENERAL INFORMATION

17. ADJUSTMENT OF RATES IN ACCORDANCE WITH CHANGES IN THE COST OF PURCHASED GAS: (continued)

17.4 Statement of Monthly Cost of Gas:

17.4.1 The Monthly Cost of Gas applicable to Service Classification Nos. 1, 2, 3, 12 and 13 computed as herein, will become effective the first day of the calendar month following the computation date, provided however, that the Monthly Cost of Gas will be prorated based on the days in the customer's billing cycle. The Monthly Cost of Gas will continue in effect until changed. The statement shall contain the schedules and service classifications to which the adjustment applies, the present average cost of purchased gas, the refunds or surcharges to be applied to the Monthly Cost of Gas, the date at which and the period for which the present average cost of purchased gas was determined, the Net Monthly Cost of Gas per Therm, the date when the Monthly Cost of Gas rate shall become effective. Such statement will be available to the public at Company offices at which applications for service may be made.

17.4.2 The Monthly Cost of Gas resulting from this provision will be filed with the Public Service Commission apart from this rate schedule not less than three (3) days prior to the date on which the statement is proposed to be effective.

17.5 Balancing Charges:

17.5.1 Charge to Marketers:

Marketers/Direct Customers taking Daily Balancing Service under Service Classification No. 11 will be subject to a Monthly Balancing Charge per therm of MPDQ for all customers contained within their Daily Balancing Pool. The resulting rates will be set forth on the Statement of Balancing Charge to be filed with the Public Service Commission apart from this rate schedule not less than three (3) days prior to any change in the effective rates.

17.5.1.1 The standard Monthly Balancing Charge rate will be based on a 5% Allowed Imbalance Tolerance and will be equal to the sum of the annualized costs per Dt per day of the effective rates for Dominion Transmission Inc (DTI) divided by 12 to arrive at a monthly rate. The annualized costs for DTI include: (i) FTNN-GSS pipeline capacity (Dt per day), (ii) GSS Storage Demand (Dt per day), and (iii) GSS Storage Capacity (Dt per month). The resulting monthly rate will then be multiplied by 5% to determine the standard Monthly Balancing Charge. Customers may elect a larger Allowed Imbalance Tolerance for the months of April through October up to the percentages allowed per Rule 29.2.4 in the General Information section of this Tariff.

Issued By: Thomas B. King, President, Syracuse, New York