

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: 130
REVISION: 4
SUPERSEDING REVISION: 3

**SERVICE CLASSIFICATION NO. 2
SMALL GENERAL DELIVERY SERVICE AND GAS SUPPLY SERVICE OR
SMALL GENERAL DELIVERY SERVICE ONLY (CONTINUED)**

MONTHLY COST OF GAS:

In addition to the above Delivery Service Charges, customers purchasing their Gas Supply Service from the Company will pay the Monthly Cost of Gas per therm of gas supplied hereunder as explained in Rule 17 of this schedule.

MERCHANT FUNCTION CHARGE:

Customers purchasing their Gas Supply Service from the Company will be subject to a Merchant Function Charge hereunder as explained in Rule 33 of this schedule.

SYSTEM BENEFITS CHARGE:

In addition to the above Delivery Service Charges, all customers taking service under this service classification shall be subject to a System Benefits Charge as explained in General Information Rule No. 31.

INCREMENTAL STATE ASSESSMENT SURCHARGE:

In addition to the above delivery service charges, all customers taking service under this service classification shall be subject to an Incremental State Assessment Surcharge as explained in General Information Rule 35.

DELIVERY SERVICE ADJUSTMENTS:

All Customers taking service under this service classification shall be subject to a Net Revenue Sharing Adjustment as explained in General Information Rule No. 26, a Research and Development Surcharge as explained in General Information Rule No. 30, a Revenue Decoupling Mechanism Adjustment as explained in General Information Rule No. 32, and a Late Payment Charge Refund/Surcharge as explained in General Information Rule No. 34.

BALANCING:

Customers not purchasing their gas supply from Niagara Mohawk will be subject to either Daily or Monthly Balancing under Service Classification No. 11 - Load Aggregation.

BTU ADJUSTMENT:

Volumes of gas registered at the customer's meter, in CCF, will be adjusted for BTU content, in Therms, as stated in Rule 14.3.

INCREASE IN RATES AND CHARGES:

The rates and charges under this service classification will be increased by a tax factor pursuant to Rule 19.

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 late payment charge of one and one-half percent (1 1/2%) pursuant to Rule 15.2.

TERM:

One month and thereafter until terminated by forty-eight hours notice to the Company. For customers switching energy suppliers the request shall be submitted to the Company not later than 10 calendar days prior to the month service is to commence. The actual switch will then occur on the customer's regular meter reading date.

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