

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 01/01/07

LEAF: 162
REVISION: 2
SUPERSEDING REVISION: 1

**SERVICE CLASSIFICATION NO. 9
NEGOTIATED TRANSPORTATION SERVICE (CONTINUED)**

SPECIAL PROVISIONS: (continued)

3. Customer agrees that if they fail to discontinue use of service as ordered by the Company, the Company may disconnect and cancel service. In addition, all usage of gas taken during such period of requested interruption shall be billed at the stated rate in effect at the time, plus the currently effective rate per Dth of unauthorized usage in accordance with Rule 3.3.1 of this schedule.

Customers with distillate alternate fuels, agree that if they fail to meet the alternate fuel requirements set forth in Rule 3.4, the penalties set forth in Rule 3.4 will apply.

4. In the event the Company interrupts customer's service for purposes of peak shaving, the Company shall compensate the customer. The rate of compensation shall be as provided for in the Peak Shaving Agreement.
5. Niagara Mohawk's obligations to deliver customer - owned gas are defined in Rule 3.2 of **GENERAL INFORMATION**.
6. Full cooperation is required from the customer and the upstream pipeline(s) so that the Company may accurately determine the quantities of customer-owned gas received by the Company and those quantities of customer-owned gas actually transported to the customer by the Company.
7. If a discrepancy exists between the Monthly Transportation Quantity indicated by the customer and by the upstream pipeline(s), the latter's quantity shall be billed to the customer.
8. **Under Deliveries:**
- A. For contracts with an effective date prior to June 1, 1996 customers will become Direct Customers under Daily Balancing under the Terms of S.C. 11 Load Aggregation. The Cashout Provisions and Imbalance Provisions set forth in Rule 29 will not apply.

Supplemental service will be provided on an interruptible basis when the Company, at its sole discretion, has gas supply available. The Company may at its sole discretion require a reduction or interruption in the rate of supplemental natural gas consumption upon not less than two hours notice by telephone or otherwise to customer. Customer agrees that if customer fails to reduce or interrupt service as ordered by the Company, all of the gas taken during such period of requested interruption or reduction in excess of the amount the customer is permitted to take shall be billed at the stated rate in effect at the time, plus the currently effective rate per Dth of unauthorized usage in accordance with Rule 3.3.1 of this schedule. Charges for supplemental service (Under Deliveries) will be the quantity Under-Delivered times the Calendar Month Rate plus the quantity under-delivered times the Current Commodity Cost Rate. Charges for start-up service will be at the rate specified under S.C. No. 6 Interruptible Gas Transportation Service or will be the quantity used times the Calendar Month Rate plus the quantity used times the Current Commodity Cost Rate.

Issued By: William F. Edwards, President, Syracuse, New York