

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 05/11/06
STAMPS: Issued in Compliance with Order of PSC in Case 03-G-1392 dated 11/23/05.

LEAF: 219.2
REVISION: 1
SUPERSEDING REVISION: 0

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

b) **Reconciliation Charge** - The total of the Value Added Charges collected from the Customer during the Calendar Year subtracted from the total of the Value Added Charges that would have been collected had the Value Added Charge been calculated based on the actual Spark Spreads during the calendar year.

c) **Monthly Total Value Added Charge** - Five percent of the difference between
1) The Spark Spread for each hour of the month the generator actually operated and
2) the applicable Base Year Spark Spread will be calculated. The resulting amount is multiplied by the Customers MWH Generated Output during the same Test Year hour. The resulting dollars for each hour are summed for each month of the Test Year. If such monthly value is less than or equal to zero, the Monthly Total Value Added Charge for that month will equal zero. If such Monthly Total Value Added Charge is greater than zero, such monthly value is the Monthly Total Value Added Charge for that month.

4. **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 tariff. The Service Agreement will specify the dollar amount to be associated with the Minimum Annual Bill.

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.

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.

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 (1½%).

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