

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
REVISION: 2
SUPERSEDING REVISION: 1

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

DEFINITIONS: (continued)

“Fuel Cost of Generation” - The price per DTH for the day of flow which results from the average of 1) DTI South Point midpoint price as reported in Gas Daily and 2) the highest value shown in the DTI South Point Common price column as reported in Gas Daily, multiplied by the Customer's Heat Rate for the appropriate Tier Level expressed in \$/MWH. If the above referenced DTI South Point prices are not available, the corresponding values for DTI North Point will be utilized.

“Government Authority” - Any federal, national, state, municipal, local, territorial, or other governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, judicial or administrative body, domestic or foreign, including without limitation, the PSC.

“Losses” - The lower of (a) 1.01 or (b) an amount equal to the Uniform Gas Loss Adjustment Factor in the Tariff, **GENERAL INFORMATION** Rule No. 17.1, as that factor may be modified from time to time.

“Maximum Annual Quantity” - The maximum amount of transportation gas which customer may use per Contract Year as specified in its Service Agreement.

“Maximum Daily Delivery Quantity” (MDDQ) - The Service Agreement will specify the maximum daily delivery quantity of transportation gas which customer may use, measured at the Delivery Point.

“Minimum Annual Bill” - Customer shall pay a minimum annual bill calculated by multiplying the Minimum Annual Delivery Quantity by the cost per DTH of transportation service. In any Contract Year that actual billing for transportation service is below the Minimum Annual Delivery Quantity, the difference between the Minimum Annual Delivery Quantity and actual annual Delivery Quantity shall be determined by the Company at the conclusion of each Contract Year and included in the invoice for the last month of such Contract Year to the extent not previously paid.

“Minimum Annual Delivery Quantity” - The Service Agreement will specify the minimum annual Delivery Quantity of transportation gas for which customer will be billed, measured at the Delivery Point.

“Month” - The period of time beginning at 10 o'clock a.m. Eastern Time on the first calendar Day of a month and ending at 10 o'clock a.m. on the first calendar Day of the subsequent calendar month.

“New Electric Generator” - A customer's facility whose sole purpose is the generation of electricity. This customer seeks gas transportation service under Service Classification No. 14. Existing service related to the generation of electricity at the date of the Commission's 3/17/1999 Order in Case 98-G-0122 is not deemed to be New Electric Generators until the customer's contract terminates.

“Receipt Point” - The citygate interconnection at which the Company receives gas from customer for delivery under this Agreement. The receipt Points that customer may elect may be any point mutually agreed upon by the Company and customer in the Service Agreement.

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