

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 06/23/08

LEAF: 154
REVISION: 3
SUPERSEDING REVISION: 2

**SERVICE CLASSIFICATION NO. 8
GAS TRANSPORTATION SERVICE WITH UPSTREAM PIPELINE CAPACITY RESERVATION
(CONTINUED)**

DEFINITIONS: (continued)

3. "Base and Thermal Methodology" - "Daily Baseload" equals the customer's average daily usage in the two months of lowest daily usage during the period of June through September. Annual Baseload equals Daily Baseload multiplied by 365. Thermal usage equals total usage during the twelve-month period minus Annual Baseload. "Degree Day Usage" equals Thermal Usage divided by the total number of degree days during the twelve-month period. The Maximum Peak Day Quantity equals the product of Degree Day Usage multiplied by 75 plus Daily Baseload.

BILLING QUANTITY:

The amount of gas to be billed each month under this Service Classification by the Company to the customer will be the amount consumed by the customer during any given calendar month. Customers electing a D-1 Contract Demand will be assigned upstream pipeline capacity based on the customer's Daily Elected Contract Demand. The customer or customer's Marketer as elected by the customer will be billed by the upstream pipeline for this capacity.

DEFINITION OF RATES:

1. Monthly Delivery Service Rates

All Customers, as described above:

	<u>Delivery Service Rate</u>
First 100 Therms or less	\$825.00
Next 99,900 Therms, per Therm	\$0.07119
Next 400,000 Therms, per Therm	\$0.06445
Over 500,000 Therms, per Therm	\$0.05525

2. Balancing Charge - Marketers or Direct Customers participating in the Company's Daily Balancing Program under Service Classification No. 11 will be charged a monthly balancing rate per therm of MPDQ for Customers in the Marketer's pool calculated in accordance with Rule 17.5 of this tariff.
3. Contract Demand - Customers taking service under S.C. No. 8, and making a D1 election, will have upstream pipeline capacity assigned to the customer or customer's marketer pursuant to Special Provision 11, below. The customer or customer's marketer will be billed directly by the upstream pipeline for the assigned capacity.

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