

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

LEAF: 94
REVISION: 4
SUPERSEDING REVISION: 3

GENERAL INFORMATION

17. ADJUSTMENT OF RATES IN ACCORDANCE WITH CHANGES IN THE COST OF PURCHASED GAS: (continued)

17.5 Balancing Charges:

17.5.1 Charge to Marketers:

Marketers/Direct Customers taking Daily Balancing Service under Service Classification No. 11 will be subject to a Monthly Balancing Charge per therm of MPDQ for all customers contained within their Daily Balancing Pool. The resulting rate will be set forth on a Statement to be filed with the Public Service Commission apart from this rate schedule not less than three (3) days prior to any change in the effective rate.

17.5.1.1 The Monthly Balancing Charge rate will be determined on a seasonal summer and winter basis in accordance with the Allowed Imbalance Tolerances percentages per Rule 29.2.4 in the General Information section of this Tariff. The methodology for calculation of this adjustment is as follows:

The Winter Balancing Charge Rate applicable to the months November through March will be equal to the sum of the annualized rates for DTI pipeline GSS Demand, DTI pipeline GSS Capacity and DTI pipeline FTNN GSS Demand divided by twelve to arrive at a weighted average monthly storage rate. The weighted average monthly storage rate will then be multiplied times the Allowed Tolerance percentage applicable to the period November 1 through March 31 as defined in Rule 29.2.4 of this rate schedule.

The Summer Balancing Charge Rate applicable to the months April through October will be equal to the sum of the annualized rates for DTI pipeline GSS Demand, DTI pipeline GSS Capacity and DTI pipeline FTNN GSS Demand divided by twelve to arrive at a weighted average monthly storage rate. The monthly weighted average storage rate will then be multiplied times the Allowed Tolerance percentage applicable to the period April 1 through October 31 as defined in Rule 29.2.4 of this rate schedule.

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