

PSC NO: 218 GAS  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: 11/01/03

LEAF: 109  
REVISION: 4  
SUPERSEDING REVISION: 3

STAMPS: Issued in Compliance with Order of PSC in Case 02-M-0515 dated 04/24/03.

#### GENERAL INFORMATION

#### 18. GAS FIRED EMERGENCY ELECTRIC GENERATION:

18.1 Company will allow the attachment of gas-fired emergency electric generators under the following conditions:

18.1.1 Only sufficient emergency electric generation may be installed to provide minimum requirements for safety and health.

18.1.2 The customer shall pay all costs associated with meter installation, inspection fees, and, if necessary, system reinforcement, mains and service laterals.

18.1.3 When the Company has sales restrictions, the emergency electric generation customer will be penalized for excessive usage.

18.1.3.1 Excessive usage will occur when the customer exceeds his existing annual limitation for other uses plus an annual emergency electric generation allotment allowing one-half (1/2) hour testing each week and estimated use during verifiable power outages.

18.1.3.2 Usage over this new annual limitation will be billed, where appropriate, at the maximum tariff penalty for unauthorized use.

#### 19. TAX FACTORS APPLICABLE IN MUNICIPALITY WHERE SERVICE IS SUPPLIED:

19.1 The rates and charges for service under all Service Classifications of this Schedule P.S.C. No. 218 Gas, including Gas Supply and minimum charges, shall be increased by a factor developed from the aggregate percentage rate of the taxes imposed on the Company's gas revenues pursuant to Sections 186-a and Section 210 of the State Tax Law; Section 20-b of the General City Law; and Section 5-530 of the Village Law. Two tax factors shall be applied, one to Delivery Service Revenue and one to Commodity Service Revenue. The total of all rates and charges will be multiplied by 1 plus a factor equal to the result of the tax rate divided by 1 minus the tax rate for the appropriate municipality.

19.1.1 Delivery Service Revenue is defined as all charges included under the Gas Delivery Charges portion of a customer's bill exclusive of sales taxes and import taxes. Delivery Service Revenue will include S.C. 8 Standby Sales Service Charges, Balancing Charges, and Standby Charges.

19.1.2 Commodity Service Revenue is defined as all charges included under the Gas Supply Charges section of the customer's bill exclusive of sales taxes. This will include the charge for Gas Supply and the Merchant Function Charge.

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