

PSC NO: 218 GAS

NIAGARA MOHAWK POWER CORPORATION

INITIAL EFFECTIVE DATE: 11/01/03

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

LEAF: 99

REVISION: 3

SUPERSEDING REVISION: 2

GENERAL INFORMATION

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

17.4 Statement of Monthly Cost of Gas

The Monthly Cost of Gas applicable to Service Classification Nos. 1, 2, 3 and 12 computed as herein, will become effective the first day of the calendar month following the computation date, provided however, that the Monthly Cost of Gas will be prorated based on the days in the customer's billing cycle. The Monthly Cost of Gas will continue in effect until changed. The statement shall contain the schedules and service classifications to which the adjustment applies, the present average cost of purchased gas, the refunds or surcharges to be applied to the Monthly Cost of Gas, the date at which and the period for which the present average cost of purchased gas was determined, the Net Monthly Cost of Gas per Therm, the date when the Monthly Cost of Gas rate shall become effective. Such statement will be available to the public at Company offices at which applications for service may be made.

The Monthly Cost of Gas resulting from this provision will be filed with the Public Service Commission apart from this rate schedule not less than three (3) days prior to the date on which the statement is proposed to be effective.

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