

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 08/01/03

LEAF: 160
REVISION: 0
SUPERSEDING REVISION:

**SERVICE CLASSIFICATION NO. 9
NEGOTIATED TRANSPORTATION SERVICE (CONTINUED)**

DEFINITIONS: (continued)

10. Minimum Annual Delivery Quantity means the minimum quantity for which customer will be billed annually, as defined in the Service Agreement.
11. Calendar Month Rate means a rate per therm equal to the Calendar Month Rate for Service Classification No. 8, Standby Sales Service.
12. Over Deliveries means the difference between the amount of gas delivered to the Niagara Mohawk system by or on behalf of the customer and the amount of gas consumed by the customer during any given month.
13. Current Commodity Cost Rate means a rate per therm equal to the Monthly Commodity Cost of Gas from the Company's gas supplier(s) divided by the quantity of gas used in the computation of said cost. The resulting rate will be adjusted by the Factor of Adjustment as defined in Rule 17.1. These monthly commodity costs are equal to the corresponding dollar amounts used in the calculation of the Monthly Cost of Gas Mechanism.
14. Maximum Daily Delivery Quantity means the maximum daily quantity of transportation gas which a customer may use as specified in its Service Agreement.
15. Maximum Annual Delivery Quantity means the maximum annual quantity of transportation gas which a customer may use as specified in its Service Agreement.

BILLING QUANTITY:

Each month, the Company will bill the customer for the Monthly Delivery Quantity. Billing quantities will be adjusted, as applicable, to reflect the duration of any interruptions of service under Special Provision 2 below, and to reflect gas quantities rolled forward to a subsequent month under Special Provision 14 below.

RATE:

The charges for service under Service Classification No. 9 shall be as stated in the negotiated Service Agreement. The charges will include the following items as applicable: Company transportation, sales service charges, Rollover charges, Cashout Charges and penalty charges. The minimum rate will recover all incremental costs the Company incurs in serving the customer plus provide a reasonable contribution to system costs. These minimum costs may be offset by demonstrable benefits to the Company from the customer.

STATEMENT OF TERMS:

A statement of the major contract terms of each Service Agreement executed pursuant to this Service Classification will be duly filed with the Public Service Commission, apart from this rate schedule, as soon as is practicable after the contract is executed. The statement will be available to the public at the Company's offices at which application for Service may be made.

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