

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

LEAF: 151
REVISION: 0
SUPERSEDING REVISION:

**SERVICE CLASSIFICATION NO. 7
SMALL VOLUME FIRM GAS TRANSPORTATION SERVICE (CONTINUED)**

SPECIAL PROVISIONS APPLICABLE TO FIRM TRANSPORTATION SERVICE: (continued)

4. Customers electing Daily Balancing under Service Classification No. 11 will be charged a monthly balancing rate per therm calculated in accordance with Rule 17.5 of this tariff multiplied by their Maximum Peak Day Quantity, through December 31, 2000. Commencing January 1, 2001, the Balancing Charge will be charged to the customer's marketer.
5. Customers electing Daily Balancing under Service Classification No. 11 will be required to have installed and operable an Approved Remote Meter as defined in Rule 13.5.
6. Full cooperation is required from customer and customer's gas supplier so that the Company may accurately determine the quantities of customer-owned gas delivered into the Company's distribution system by the customer and those quantities of customer-owned gas actually transported to the customer by the Company.
7. When customer-owned gas is delivered directly into the Company's distribution system the customer shall pay for any investment and expenses incurred by the Company for any metering facilities installed at the point of delivery, odorization of gas and periodic testing of the gas quality.
8. Service rendered hereunder shall be for a single customer at a single location. Individual agreements are required for each location.
9. As between the Company and the customer, the Company shall be deemed to be in control and possession of the gas to be transported hereunder upon receipt of such gas at the receipt point and until it has been delivered to the customer. The customer shall be deemed to be in possession and control of the gas prior to such receipt by the Company and after such delivery.
10. Each customer under this Service Classification warrants that it will, at the time it delivers gas to the Company for transportation, have good and merchantable title to all such gas free and clear of all liens, encumbrances and claims whatsoever. The customer shall indemnify the Company and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising out of the adverse claims of any or all persons to said gas including claims for any royalties, taxes, license fees or charges applicable to such gas or to the delivery of such gas to the Company for transportation.
11. The Company reserves the right to reject any application for service under this Service Classification where, in the sole discretion of the Company, the provision of service would or might result in a reduction in the Company's rights or ability to receive service, purchase gas or utilize capacity on the transmission system of its pipeline supplier(s), impair or interfere with the Company's operations, or impose costs in excess of those subject to recovery under these rates.

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