

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

LEAF: 157
REVISION: 0
SUPERSEDING REVISION:

**SERVICE CLASSIFICATION NO. 8
GAS TRANSPORTATION SERVICE WITH STANDBY SALES SERVICE (CONTINUED)**

SPECIAL PROVISIONS: (continued)

11. Customers served under this Service Classification will elect a Daily Elected Contract Demand Level and may contract with the Company for Standby Sales volumes up to their Daily Elected Contract Demand level. The customer, or its authorized agent/Marketer, must place a pipeline nomination with the Company, not to exceed their elected Daily Elected Contract Demand level, in order to purchase Standby Sales. The commodity cost of the nominated Standby Sales will be billed to the customer's marketer. The Daily Elected Contract Demand level may be any quantity, including zero. The purpose of the contract demand level is to insure the customer that firm sales service, up to the elected level, will be available, and to provide the customer the right to return to a sales service only classification up to the elected level at a future time. The term of the customer's Daily Elected Contract Demand level will be one year and renewable on a year-to-year basis. The Daily Elected Contract Demand level represents the maximum amount of standby service available for each respective period.

Human Need Customers must elect a Daily Contract Demand level sufficient to cover full peak day requirements which are not covered by dual fuel capability.

12. Service Classification No. 8 customers may elect to return their total gas requirements to an appropriate full sales service classification in accordance with the TERM section of this rate schedule after a review by the Company is conducted to determine whether the customer's total requirements can be served. If it is determined that the customer's total requirements can be supported on a full sales service classification, the customer may migrate to the sales service classification upon completion of the current term of service on S.C. No. 8. If the Company's review determines the total requirements can not be served, the customer must remain on the S.C. No. 8 rate schedule using standby to support their gas requirements until such time as the Company indicates that full sales service can be supported. Service Classification No. 8 customers may obtain sales service for their partial requirements equivalent to their nominated Daily Contract Demand level by utilizing the standby sales service of this rate schedule.
13. Service taken under this Service Classification may be eligible for a limited-duration bill reduction treatment as described in Rule 22, 23, & 24 of the **GENERAL INFORMATION** Section of this tariff.
14. Niagara Mohawk's obligations to deliver customer-owned gas are defined in Rule 3.2 of **GENERAL INFORMATION**.

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