

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

LEAF: 36
REVISION: 0
SUPERSEDING REVISION:

GENERAL INFORMATION

3. PRIORITY OF SERVICE: (continued)

3.6.2 In the event the Company is required to implement a short term curtailment interruption, the needs of core customers will be met first, regardless of whether the core customers are sales or transportation customers. In the event it is necessary to divert gas from non-core customers to supply the needs of core customers, except as otherwise provided pursuant to prior agreement with affected customer(s) or any pre-existing individually negotiated contract or service agreement, compensation to non-core customers will be at the replacement cost of fuel. If gas is diverted from a customer who must switch to an alternate fuel, the replacement cost of fuel shall be the market value of the equivalent quantity of such alternate fuel on the day(s) of such diversion. If gas is diverted from a customer who does not utilize an alternate fuel, the replacement cost of fuel shall be the market value of the diverted gas on the day(s) of such diversion. When gas is diverted to serve firm sales service classifications, payments made by the Company will be recovered through the Monthly Cost of Gas in accordance with Rule 17.3.

3.6.3 Definition of Core Customers:

3.6.3.1 Core market customers lack alternatives. They take either (a) firm sales service, and lack installed equipment capable of burning fuels other than gas; or (b) firm transportation service. Back-up and standby services provided to firm transportation customers are core market services.

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