

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

LEAF: 95
REVISION: 0
SUPERSEDING REVISION:

GENERAL INFORMATION

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

17.5.2.2 Effective November 1, 2001 through October 31, 2002, the \$.024433 Balancing Charge will be subject to an adjustment of up to \$.012 per therm. The methodology for calculation of this adjustment is set forth in Appendix E, Schedule 1 of the Company's Gas Rate and Restructuring Settlement Agreement dated June 12, 2000. The resulting rate will be set forth on a statement to be filed with the Public Service Commission apart from this rate schedule not less than three (3) days prior to any change in the effective rate.

17.5.2.3 Effective November 1, 2002 through August 31, 2003, the effective Balancing Charge will be subject to further adjustment as provided for in Appendix E Schedule 1 of the Company's Gas Rate and Restructuring Agreement dated June 12, 2000.

17.5.3 Monthly Balancing Service customers will be charged a Storage Utilization Rate per therm of Maximum Balancing Quantity through August 31, 2000. The Storage Utilization Rate will be set forth on a statement to be filed with the Public Service Commission apart from this rate schedule not less than three (3) days prior to any change in the effective rate. Effective September 1, 2000, the Storage Utilization Charge will be eliminated.

17.6 Refund Provision:

17.6.1 In the event the Company receives lump sum refunds from one or more of its gas suppliers, the Company shall refund the applicable principal and interest received from the supplier to tariff customers. Any refunds applicable to the period November 1, 1996 through October 31, 1999 shall be retained by the Company in accordance with the Company's Settlement Agreement in Case No. 95-G-1095.

17.6.2 The portion of the refund related to customers served under Service Classification Nos. 1, 2 and 3 of this tariff shall be credited by an adjustment to the Monthly Cost of Gas. The portion of the refund related to customers served under Service Classification No. 8 shall be credited by an adjustment set forth on the Statement of Transportation Rate Adjustment. The Refund Credit Rate shall be computed as stated in Paragraph 17.6.3.

17.6.3 Refund Credit Rate:

17.6.3.1 The refund amount shall be credited with simple interest on the estimated monthly unrefunded balances from the receipt of the refund by the Company through the refund period at the rate prescribed by the Commission. The refund credit rate shall be computed by dividing the sum of the refund and interest by the estimated sales during the refund period.

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