

PSC NO: 218 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 09/01/03
STAMPS: Issued in compliance with order in Case 01-M-0075 dated 12/03/2001

LEAF: 100
REVISION: 4
SUPERSEDING REVISION: 3

GENERAL INFORMATION

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

17.5 Balancing Charges:

17.5.1 Charge to Marketers - Effective September 1, 2003:

Marketers/Direct Customers taking Daily Balancing Service under Service Classification No. 11 will be subject to a Monthly Balancing Charge of \$.024433 per therm of MPDQ for all customers contained within their Daily Balancing Pool.

17.5.1.1 Effective September 1, 2003, the \$.024433 Balancing Charge will be subject to a downward adjustment of up to \$.012 per therm. If there has been a downward adjustment in a previous statement filed with the Public Service Commission, the Balancing Charge can be adjusted upward or downward of up to \$.012 per therm. The methodology for calculation of this adjustment is set forth in Appendix E, Schedule 1, paragraphs 6, 7 and 8 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.

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