

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 01/01/04
STAMPS: Issued in Compliance with Order of PSC in Case 02-M-0515 dated 12/03/03.

LEAF: 95
REVISION: 2
SUPERSEDING REVISION: 1

GENERAL INFORMATION

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

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, 3 and 12 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