..DID: 18078 ..TXT: PSC NO: 218 GAS LEAF: 34.3.1 COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 0 INITIAL EFFECTIVE DATE: 04/01/02 SUPERSEDING REVISION: STAMPS: Issued in Compliance with order of PSC in C. 00-G-0996 dated 10/31/01. RECEIVED: 01/09/02 STATUS: Effective EFFECTIVE: 04/01/02 GENERAL INFORMATION 3.4.4 Penalties for Non Compliance (continued)

> 3.4.4.1.4 S.C. 14 customer bills who are in non compliance under Rule 3.4 of this rate schedule will have their invoices subject to an additional charge. The additional charge will be equal to 120% of the applicable wholesale electric rate at the time of non compliance, converted to a gas rate.

3.5 Verification of Alternate Fuel Requirements

The Company will conduct an on-site inspection of a random sampling of interruptible customers taking service under S.C. Nos. 4, S.C. 6, S.C. 9 and S.C. 14 in order to verify the alternate fuel requirements set forth in Rule 3.4 above.

Issued By: Darlene D. Kerr, Executive Vice President, Syracuse, New York