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COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 1

INITIAL EFFECTIVE DATE: 06/22/00 SUPERSEDING REVISION: 0

STAMPS:

Cancelled by 2 Rev. Leaf No. 110 Effective 06/22/2000 RECEIVED: 03/10/00 STATUS: Cancelled EFFECTIVE: 06/22/00 GENERAL INFORMATION

19. TAX FACTORS APPLICABLE IN MUNICIPALITY WHERE SERVICE IS SUPPLIED: (continued)

19.1.2 The rates and charges for service under all service classifications of Schedule P.S.C. No. 218 Gas, including all surcharges and minimum charges as applicable.

- 19.1.2.1 For customers taking delivery service from the Company but with the customer*s gas supply service provided to the customer by an entity other than the Company, only Section 186 and 186-a of the State Tax Law shall be applicable to the Company*s delivery service rates and charges.
- 19.1.3 The applicable revenue tax surcharge factor shall be set forth on statements filed with the Public Service Commission and are subject to adjustment whenever a city or village levies a new tax on the Company's gross revenues, repeals such a tax, or changes the rate of such tax.

Every such statement shall be filed not less than fifteen (15) business days before the date on which the statement is proposed to be effective, and no sooner than the date of the tax enactment to which the statement responds; shall become effective no sooner than the date when the tax enactment is filed with the Secretary of State; shall be applicable to bills subject to tax enactment that are rendered on or after the effective date of the statement; and shall be canceled not more than five (5) business days after the tax enactment either ceases to be effective or is modified so as to reduce the tax rate.

Such statement will be available to the public at the Company offices at which application for service may be made.

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