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Effective Date: 11/01/1999

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..TXT: PSC NO: 218 GAS LEAF: 100

COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 1

INITIAL EFFECTIVE DATE: 11/01/99 SUPERSEDING REVISION: 0

STAMPS:

Cancelled by 2 Rev. Leaf No. 100 Effective 08/01/2000 RECEIVED: 01/29/99 STATUS: Cancelled EFFECTIVE: 11/01/99 GENERAL INFORMATION

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

17.5 Balancing Charges

17.5.1 Customers who do not purchase all of their gas requirements from Niagara Mohawk under Sales Service and do not participate in a Balanced Aggregation Service or Basic Aggregation Service Pool under S.C. 11 will pay a monthly Balancing Charge of per therm of MPDQ. This Balancing Charge recovers the cost of storage used by transportation customers for daily balancing. It is based on the cost of the storage capacity historically used for transportation customers on peak days, calculated at a 200% load factor to reflect the fact that the use of storage for balancing is interruptible and that storage balances cannot be carried over from month to month. The monthly balancing charge 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 date.

Issued By: <u>Darlene D. Kerr, Executive Vice President, Syracuse, New York</u>