..DID: 7232 ..TXT: PSC NO: 218 GAS LEAF: 106 COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 1 INITIAL EFFECTIVE DATE: 11/01/99 SUPERSEDING REVISION: 0 STAMPS: Cancelled by 2 Rev. Leaf No. 106 Effective 11/01/1999 RECEIVED: 01/29/99 STATUS: Cancelled EFFECTIVE: 11/01/99 GENERAL INFORMATION

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

17.7.1.(continued)

gas sold, adjusted by the factor of adjustment ratio; (b) the gross gas adjustment revenues, exclusive of gross revenue taxes; (c) the previous year's over or under collection with interest to the extent not refunded or collected; (d) the cost of gas related to sales to Service Classification No. 4 and Service Classification No. 10 customers, the cost of gas for customers taking standby sales service under Service Classification No. 8 and supplemental service under Service Classification No. 9;(e) the Demand Gas Cost Adjustment revenues received from sales to Service Classifications Nos. 5, 7 and 13 customers; (f) demand charge revenues received from Balanced, Basic, and Pooled Aggregation customers; (g) all revenues collected as a result of Rollover Balances from Service Classification No. 9 customers, cashout revenues collected from Service Classification Nos. 5, 7, 8, 9, 12 and 13 and imbalance scheduling penalties collected from customers participating in Balanced and Basic Aggregation under Service Classification No. 11. The previous year referred to in (c) is the twelve month period ended August 31 of the second preceding year prior to the year for which the calculation is made.