..DID: 7236 ..TXT: PSC NO: 218 GAS LEAF: 96 COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 1 INITIAL EFFECTIVE DATE: 11/01/99 SUPERSEDING REVISION: 0 STAMPS: Cancelled by 2 Rev. Leaf No. 96 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 PURCHASED GAS: (continued)

17.3.4 The cost of purchased gas for customers taking service under Service Classification No. 4, used in the determination in Rule 17.3.1, is determined by applying the average commodity cost of gas as defined in Rule 17.3.4.1, below, to the quantity of gas sold to Service Classification No. 4 customers during the twelve calendar months immediately preceding the computation date.

17.3.4.1 The average commodity cost of gas, used in the determination of the cost of purchased gas for customers taking service under Service Classification No. 4 in Rule 17.3.4 above and Service Classification No. 10, is determined by applying the rates and charges (exclusive of any refund credit rates, included

therein) of the Company's gas suppliers, which are or will be in effect as of the date the Gas Adjustment Clause becomes effective, to the respective commodity volumes of gas purchased for delivery to customers during the twelve calendar months immediately preceding the computation date, and dividing the dollars of gas cost so obtained by the quantity of gas used in the computation of said cost, and adjusting the result so obtained by the Factor of Adjustment as defined in Rule 17.1.