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COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 9

INITIAL EFFECTIVE DATE: 08/01/02 SUPERSEDING REVISION: 8

STAMPS: Issued in Compliance with Order of PSC in C. 99-G-0336 dated 07/27/00.

RECEIVED: 06/11/02 STATUS: Effective EFFECTIVE: 08/01/02

SERVICE CLASSIFICATION NO. 1

RESIDENTIAL DELIVERY SERVICE AND GAS SUPPLY SERVICE

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RESIDENTIAL DELIVERY SERVICE ONLY (continued)

MONTHLY MINIMUM CHARGE:

Former NMSuburban Customers

The monthly minimum charge for non-heat customers is \$10.55 for customers served under Section 1 above.

The monthly minimum charge for heat customers is \$13.57 for customers served under Section 1 above.

All Other Customers

The monthly minimum charge for non-heat customers is \$11.57 served under Section 2 above.

The monthly minimum charge for heat customers is \$14.55 for customers served under Section 2 above.

In addition to the minimum charge, customers may be required to pay a surcharge when service is taken from a main extension constructed in accordance with Rule 10, General Information.

MONTHLY COST OF GAS:

In addition to the above delivery service charges, customers purchasing their Gas Supply Service from the Company will pay the Monthly Cost of Gas per Therm of gas supplied hereunder as explained in Rule 17 of this schedule.

MERCHANT FUNCTION CHARGE:

Customers purchasing their Gas Supply Service from the Company will be subject to a Merchant Function Charge of 2.222 cents per therm. This charge reflects the costs associated with procuring gas supplies.

BALANCING:

Customers not purchasing their gas supply from Niagara Mohawk will be subject to Monthly Balancing under Service Classification No. 11 - Load Aggregation.

BTU ADJUSTMENT:

Volumes of gas registered at the customer's meter, in CCF, will be adjusted for BTU content, in Therms, as stated in Rule 14.3.

Issued By: William F. Edwards, President, Syracuse, New York