Received: 06/11/2002 Status: CANCELLED Effective Date: 08/01/2002

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COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 8

INITIAL EFFECTIVE DATE: 08/01/02 SUPERSEDING REVISION: 7

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. 2

SMALL GENERAL DELIVERY SERVICE AND GAS SUPPLY SERVICE

OR

SMALL GENERAL DELIVERY SERVICE ONLY

APPLICABLE TO USE OF SERVICE FOR:

All purposes except as otherwise provided in Service Classification No. 1. Available in all territory served when Company has facilities suitable and adequate for the load. Delivery Only Service is applicable only to customers with annual use of less than 50,000 therms.

CHARACTER OF SERVICE:

Customers Purchasing Gas Supply From Niagara Mohawk:

Continuous, natural gas or a mixture of natural gas and other gas of not less than 1000 British Thermal Units per cubic foot on a dry basis. Normal pressure 6 inches, but not less than 4 inches, water column.

Customers Purchasing Gas Supply From an Alternate Supplier:

Transportation of customer-owned, pipeline quality, natural gas will be on a firm basis from a receipt point within the Company's service territory to which this schedule applies to the facilities at the customer's existing delivery point, as specified in the customer's Application for Firm Transportation Service. Delivery of customer-owned gas will be at a pressure approved by the Company. Customer owned gas to be transported by the Company must be of pipeline quality having a minimum BTU value of 1000 BTU per cubic foot on a dry basis. The gas quality must meet the Public Service Commission's rules and regulations regarding concentrations of hydrogen sulfide, total sulfur and ammonia. Filtration of dust and liquid hydrocarbons, and water removal will be required.

MONTHLY DELIVERY SERVICE RATES:

1) Applicable to all Small General Service Customers as described above, located in the district formerly served by NMSuburban Gas Inc. within the Village of East Syracuse and within the Town of Dewitt, Onondaga County, New York.

	<u>Delivery Service Rate</u>
First 3 Therms or less	\$19.14
Next 277 Therms, per Therm	\$0.24424
Next 4,720 Therms, per Therm	\$0.15252
Over 5,000 Therms, per Therm	\$0.02379

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