Received: 10/18/2001 Status: CANCELLED Effective Date: 01/28/2002

..DID: 17346

..TXT: PSC NO: 218 GAS LEAF: 116

COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 2

INITIAL EFFECTIVE DATE: 01/28/02 SUPERSEDING REVISION: 1

STAMPS:

RECEIVED: 10/18/01 STATUS: Effective EFFECTIVE: 01/28/02 GENERAL INFORMATION

23. Empire Zone Rider

23.1.3 Who adds to the Company's system gas volume at least:

- a) 280 Therms per month for S.C. No. 2
- b) 5,000 Therms per month for S.C. No. 3
- c) 20,833 Therms per month for S.C. No. 5 or S.C. No. 8
- d) 4,167 Therms per month for S.C. No. 7

shall be eligible to take service hereunder and in accordance with Service Classification Nos. 2, 3, 5, 7, or 8 and to pay a reduced amount for such service as described below.

- 23.2 Customers accepted for service under the provisions of this rider shall be qualified to pay a reduced amount for service as follows:
 - 23.2.1 Customers taking service under Service Classification No. 2 shall receive a discount of 5.0 cents per therm applied to:
 - 23.2.1.1 All monthly consumption in excess of 280 Therms for new Customers.
 - 23.2.1.2 All monthly consumption in excess of 280 Therms for existing Customers whose monthly base normalized consumption is less than 280 Therms. (example: Base of 180 Therms + 280 Therms of incremental usage = 460 Therms. If consumption = 600 Therms, Discount Therms = 600 Therms 280 Therms = 320 Therms. If consumption = 400 Therms, Discount Therms = 0 Therms.)
 - 23.2.1.3 All monthly consumption in excess of the monthly base normalized consumption for existing Customers whose monthly base normalized consumption exceeds 280 Therms. (example: Base of 400 Therms + 280 Therms of incremental usage = 680 Therms. If consumption = 600 Therms, Discount Therms = 0 Therms. If consumption = 700 Therms, Discount Therms = 700 Therms 400 Therms = 300 Therms.)

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