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..TXT: PSC NO: 218 GAS LEAF: 95
COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 2
INITIAL EFFECTIVE DATE: 11/01/99 SUPERSEDING REVISION: 1
STAMPS: Issued in Compliance with order in C. 99-G-0170 et.al. dated 10/15/99.
RECEIVED: 10/29/99 STATUS: Effective EFFECTIVE: 11/01/99
GENERAL INFORMATION

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

17.3.3 The total commodity cost of purchased gas, used in the determination of the Average Commodity Cost of purchased gas as defined in Rule 17.3.1, is determined by:

17.3.3.1 applying the variable rates and charges of the transporters, storage providers and suppliers to the billing determinants associated with transportation, storage, and gas supply, for the forecasted Weather Normalization of gas to be taken for delivery to the Company's own sales customers during the month in which the Monthly Cost of Gas will be in effect.

17.3.3.2 applying the average unit cost of gas in storage at the date of computation to the quantities of gas estimated to be withdrawn from storage for the Company's own sales customers during the month in which the Monthly Cost of Gas will be in effect.

Issued By: Darlene D. Kerr, Executive Vice President, Syracuse, New York