..DID: 10360 ..TXT: PSC NO: 218 GAS LEAF: 106 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. Cancelled by 3 Rev. Leaf No. 106 Effective 08/01/2000 RECEIVED: 10/29/99 STATUS: Cancelled EFFECTIVE: 11/01/99 GENERAL INFORMATION

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

17.7.1.(continued)

(a) the gross Monthly Cost of Gas revenues, exclusive of gross revenue taxes; (b) the previous year's over or under collection with interest to the extent not refunded or collected; (c) the cost of gas related to sales to Service Classification No. 4 and Service Classification No. 10 customers, the cost of gas for customers taking standby sales service under Service Classification No. 8 and supplemental service under Service Classification No. 9;(d) the Demand Gas Cost Adjustment revenues received from sales to Service Classifications Nos. 5, 7 and 13 customers; (e) all revenues collected as a result of Rollover Balances from Service Classification No. 9 customers, cashout revenues collected from Service Classification Nos. 5, 7, 8, 9, 12 and 13 and imbalance scheduling penalties collected from customers participating in Balanced and Basic Aggregation under Service Classification No. 11; (f) pipeline capacity cost will be recoverable except for the following condition. The amount by which the sum of the UMDQ*s for firm sales customers that migrate to delivery service exceeds the DT*s of capacity which is eligible for contract termination shall become stranded capacity cost.