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COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 2

INITIAL EFFECTIVE DATE: 02/22/02 SUPERSEDING REVISION: 1

STAMPS:

Effective date postponed to 03/01/02. See Supplement No. 45 RECEIVED: 01/07/02 STATUS: Effective EFFECTIVE: 03/01/02 SERVICE CLASSIFICATION NO. 7

SMALL-VOLUME FIRM GAS TRANSPORTATION SERVICE

APPLICABLE GAS SERVICE FOR:

Firm transportation of customer-owned gas, on a "Best Efforts" basis by the Company, in minimum annual quantities of not less than 50,000 Therms but not greater than 250,000, also subject to Special Provisions hereof.

CHARACTER OF 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 1,000 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.

BTU ADJUSTMENT:

Customer-owned gas will be converted from volumetric measurement in CCF to Therm measurement, 100,000 Btu per Therm on a dry basis, if required, at the point the customer-owned gas enters the Company's distribution system. The factor for converting CCF measurement to Therm measurement will be as set forth in Rule 14.3.

DEFINITIONS:

For the purpose of this Service Classification the following terms have the meanings stated below:

a) Maximum Peak Day Quantity (MPDQ) - means the maximum quantity of gas that the customer may take on any winter day. Customer's MPDQs will be calculated according to the Base and Thermal Methodology.

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