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..TXT: PSC NO: 218 GAS LEAF: 166
COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 1
INITIAL EFFECTIVE DATE: 08/21/98 SUPERSEDING REVISION: 0

STAMPS:

Cancelled by 2 Rev. Leaf No. 166 Effective 11/01/1999
Effective date postponed to 10/08/98. See Supplement No. 9, 8
RECEIVED: 06/09/98 STATUS: Cancelled EFFECTIVE: 10/08/98

SERVICE CLASSIFICATION NO. 8
GAS TRANSPORTATION SERVICE WITH STANDBY SALES SERVICE (continued)

DEFINITION OR RATES (continued)

2. Standby Sales Service

For standby sales service for gas purchased from the Company within the contract demand levels nominated in accordance with Special Provision L below, the following rates apply:

A) The applicable Calendar Month Rate as set forth on the Statement of Transportation Rate Adjustment will apply.

a) Applicable to eligible customers formerly served by NMSuburban Gas Inc. under Service Classification No. 5 of P.S.C. No. 1 Gas.

All Therms Per Therms \$.04500

b) All other customers.

All Therms Per Therm Rate
\$.05420

B) The Current Commodity Cost Rate as set forth on the Statement of Transportation Rate Adjustment will apply. The Current Commodity Cost Rate is equal to the Annualized Commodity Cost of Gas from the Company's Gas Supplier(s) plus the Annualized Commodity Cost of Spot Gas minus the Annualized Rollover Revenues and/or Cashout Revenues collected in accordance with Section 17.14 of P.S.C. No. 217 divided by the quantity of gas used in the computation of said cost. The resulting rate will be adjusted by the Factor of Adjustment as defined in Rule 17.1. These annualized costs utilized in said computation are equal to the corresponding amounts used in the calculation of the Commodity Cost Adjustment Clause. The calculation of the Commodity Cost Rate will be shown on the Derivation of Monthly Gas Commodity Cost Sheet for the corresponding calendar month.

3. Contract Demand

Customers taking service under S.C. No. 8, and electing standby service, will pay Contract Demand Charges for daily contract demand nominated pursuant to Special Provision K, below.

a. Daily Contract Demand Charge -- The Daily Contract Demand charge will be equal to the effective Daily Contract Demand Rate per Therm times the Customer's Daily Elected Contract Demand in Therms.

Issued By: Albert J. Budney, Jr., President, Syracuse, New York