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COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 2

INITIAL EFFECTIVE DATE: 07/01/98 SUPERSEDING REVISION: 1

STAMPS: Issued in Compliance with Order in Case 97-G-0600 dated 06/05/98.

Cancelled by 3 Rev. Leaf No. 137 Effective 11/25/1998 RECEIVED: 06/30/98 STATUS: Cancelled EFFECTIVE: 07/01/98

SERVICE CLASSIFICATION NO. 2 SMALL GENERAL SERVICE

APPLICABLE TO USE OF SERVICE FOR:

All purposes except as otherwise provided in Service Classification No. 1. Available in all territory served when Company has facilities suitable and adequate for the load.

CHARACTER OF SERVICE:

Continuous, except as provided in Rule 3 of Rules and Regulations. Natural gas or a mixture of natural gas and other gas of not less than 1000 British Thermal Units per cubic foot. Normal pressure 6 inches, but not less than 4 inches, water column.

THIRTY DAY RATE:

1) Applicable to all Small General Service Customers formerly served under Service Classification No. 2 Gas of NM Suburban Gas, Inc.

			Rate
First	3	Therms or less	\$20.00
Next	277	Therms, per Therm	.60000
Next 4,	720	Therms, per Therm	.52130
Over 5,	000	Therms, per Therm	.40000

2) All other customers.

		Rate
First 3	Therms or less	\$20.00
Next 277	Therms, per therm	.64500
Next 4720	Therms, per therm	.53416
Over 5000	Therms, per therm	.40000

THIRTY DAY MINIMUM CHARGE:

The thirty day minimum charge is \$20.00 for all customers served under this service classification, exclusive of the Commodity Cost Adjustment charges. In addition to the minimum charge, customers may be required to pay a surcharge when service is taken from a main extension constructed in accordance with Rule 10, General Information.

COMMODITY COST ADJUSTMENT CLAUSE:

The charges set forth herein shall be subject to a Commodity Cost Adjustment per Therm of gas supplied hereunder when changes from the base cost occur as explained in Rule 17 of this schedule.

BTU ADJUSTMENT:

Volumes of gas registered at the customer=s meter, in CCF, will be adjusted for BTU content, in Therms, as stated in Rule 14.3.

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