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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. 93 Effective 09/03/1998 RECEIVED: 06/30/98 STATUS: Cancelled EFFECTIVE: 07/01/98 GENERAL INFORMATION

- 16. SPECIAL SERVICES PERFORMED BY COMPANY FOR CUSTOMER AT A CHARGE:
 - 16.1 Whenever, at customer's request, Company relocates equipment or facilities to suit the convenience of customer, customer shall reimburse Company the cost incurred by Company.
- 17. ADJUSTMENT OF RATES IN ACCORDANCE WITH CHANGES IN THE COMMODITY COST OF PURCHASED GAS:
 - 17.1 Factor of Adjustment

The rates for gas service under Service Classification Nos. 1, 2 and 3 shall be subject each month to an addition or a deduction when the average commodity cost of gas increases or decreases from the specified base cost of gas. Such addition or deduction will be determined by multiplying such increase or decrease by the 1.0191 factor of adjustment ratio, with the resulting rate truncated to five decimal places.

17.2 Base Cost of Purchased Gas

For determination of the commodity cost adjustment rate for gas service taken under Service Classification Nos. 1, 2 and 3, the base commodity cost of purchased gas is 20.000 cents per therm.

(Sections 17.3 through and including 17.8 shall not be effective December 20, 1996, and until further Commission order.)

17.3 Average Cost of Gas

17.3.1 The average cost of gas shall be computed monthly by determining the total cost of gas as defined in Rule 17.3.2, less the cost of gas for customers taking service under Service Classification No. 4 as defined in Rule 17.3.3 less the cost of gas for customers taking standby sales service under Service Classification No. 8, less supplemental service under Service Classification No. 9 less capacity assignment demand charge revenue as defined in Rule 17.3.4, and less Demand Cost Adjustment revenues collected from Service Classification Nos. 5 and 7 customers, and dividing such cost by the quantity of gas used in the determination of such cost during such twelve month period to tariff customers, excluding gas purchased for sale to Service Classification No. 4 customers, and Service Classification No. 8 standby sales, and Service Classification No. 9 supplemental service customers.

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