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GENERAL INFORMATION

19. TAX FACTORS APPLICABLE IN MUNICIPALITY WHERE SERVICE IS SUPPLIED: (continued)

19.1.2 For all periods on and after January 1, 1993, a surcharge on all applicable rates and charges shall consist of two parts:

1. A percentage designed to recover the expense of surcharges on current gross revenues imposed by Section 188. Recovery of this surcharge is in accordance with the New York Public Service Commission's order in Case 93-M-0411 issued and effective June 14, 1993. The additional temporary surcharge shall be included in the aggregate tax rate set forth on the statement described in Section 19.1.3.

2. A percentage designed to recover the forecast expense of the Section 188 surcharge on excess dividends.

After December 31, 1993, and thereafter the amount of the surcharge collected for the expense of the Section 188 surcharge on excess dividends for the twelve months ending December 31, would be reconciled with the amount of Section 188 surcharge on excess dividends actually paid by the utility. In the event the revenues produced by the percentage increase in rates and charges are substantially higher or lower (equal to or greater than plus or minus 0.5%) than the amount paid by the utility, the utility will make a one-time surcharge or credit in the month of March 1994 and thereafter.

19.1.3 The applicable revenue tax surcharge factor shall be set forth on statements filed with the Public Service Commission and are subject to adjustment whenever a city or village levies a new tax on the Company's gross revenues, repeals such a tax, or changes the rate of such tax.

Every such statement shall be filed not less than fifteen (15) business days before the date on which the statement is proposed to be effective, and no sooner than the date of the tax enactment to which the statement responds; shall become effective no sooner than the date when the tax enactment is filed with the Secretary of State; shall be applicable to bills subject to tax enactment that are rendered on or after the effective date of the statement; and shall be canceled not more than five (5) business days after the tax enactment either ceases to be effective or is modified so as to reduce the tax rate.

Such statement will be available to the public at the Company offices at which application for service may be made.

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