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COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 0
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GENERAL INFORMATION

10. EXTENSION OF MAINS: (continued)

10.3.9 (continued)

event that actual adjusted gas revenues within a two (2) year period do not equal or exceed the cost of the facilities installed in excess of the allowance provided in Rule 10.1, the customer will be required to pay a contribution for the cost of the facilities not covered by adjusted gas revenues. If additional customers are connected to the facilities installed, the additional adjusted gas revenues generated by the additional customers will be considered for justification of the required facilities within the initial two (2) year period.

10.4 Whenever, at the request of a developer, owner or occupant, the Company installs a gas main prior to the time when service is required, said developer, owner or occupant shall bear the entire reasonable expense of providing, placing and constructing the gas main. When gas service is begun, the developer, owner or occupant shall be entitled to a refund equal to the cost of gas main provided by the company in Rule 10.1 for each unit taking service. The total refund shall not exceed the total cost of the installation. Any monies unrefunded at the end of the five year period subsequent to the installation of gas main facilities shall be retained by the Company.

10.4.1 Upon mutual agreement of both Company and developer, a developer may post a bond or provide a letter of credit, as a guarantee of performance, in lieu of the refundable portion of the contribution required in Rule 10.4. This procedure would be applicable to that length of main allowed under Rule 10.1.

10.5 Furnishing of rights-of-way or agreement to pay cost.

10.5.1 The applicant or applicants shall execute and delivery to, and obtain for, the Company, free from cost, satisfactory permanent easements or rights-of-way insofar as the extension or subsequent addition thereto affects the property owned by the applicant, applicants, or others for placing and maintaining the extended main or service line.

10.5.2 The Company shall not be obliged to commence construction of an extension of its system until the applicant or applicants to be served by such extension have obtained and delivered to the Company satisfactory permanent easements or rights-of-way agreements or have agreed to pay such cost as may be incurred by the Company if at the applicant's request, Company obtains such easements or rights-of-way. If the applicants request the Company to obtain such easements or rights-of-way, they shall furnish reasonable security as to performance of their agreement if so required by said Company.

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