..DID: 779 ..TXT: PSC NO: 218 GAS LEAF: 164 COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 0 INITIAL EFFECTIVE DATE: 09/12/97 SUPERSEDING REVISION: STAMPS: Cancelled by 1 Rev. Leaf No. 164 Effective 04/23/2000 RECEIVED: 07/03/97 STATUS: Cancelled EFFECTIVE: 09/12/97 SERVICE CLASSIFICATION NO. 8 GAS TRANSPORTATION SERVICE WITH STANDBY SALES SERVICE (continued)

DEFINITIONS: (continued)

(d) Over-deliveries for stand-alone customers not participating in aggregation service under Service Classification No. 11 equal the therm balance remaining when delivery of transportation and standby gas exceeds customer's consumption multiplied by the Factor of Adjustment.

(e) Under-deliveries for stand-alone customers not participating in an aggregation service under Service Classification No. 11 equal the therm balance remaining when delivery of the sum of transportation and standby gas is less than customer's consumption multiplied by the Factor of Adjustment.

(f) Monthly Delivery Quantity: The therm balance remaining after subtracting the Monthly Nominated Standby Quantity from the total gas consumed by the customer in any given month.

(g) Daily Contract Demand Rate will be \$1.158377 per therm of Daily Elected Contract Demand.

(h) System Load Factor means the percentage obtained by dividing the Company's actual purchases for sale to system supply Customers (Service Classification Nos. 1, 2, 3, 4) for the most recent twelve months historic period by the equivalent D1 demand quantities times 365 days.

(i) Daily Elected Contract Demand means the maximum daily quantity of standby sales gas which a Customer may use as specified on their Application for Service Form T.

(j) Maximum Peak Day Quantity (MPDQ) - means the maximum quantity of gas that the customer may take on any winter day. Customer's MPDQs will be calculated according to the Base and Thermal Methodology.

(k) "Base and Thermal Methodology" - "Daily Baseload" equals the customer's average daily usage in the two months of lowest daily usage during the period of June through September. Annual Baseload equals Daily baseload multiplied by 365. Thermal usage equals total usage during the twelve-month period minus Annual Baseload. "Degree Day Usage" equals Thermal Usage divided by the total number of degree days during the twelve-month period. The Maximum Peak Day Quantity equals the product of Degree Day Usage multiplied by 75 plus Daily Baseload.

(1) "Maximum Delivery Quantity" (MDQ) - means the maximum quantity that the customer may deliver daily to the Company's City Gate. The MDQ is based on historical usage patterns and expected weather conditions but will in no case be higher than the MPDQ.