..DID: 788 ..TXT: PSC NO: 218 GAS LEAF: 103 COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 0 INITIAL EFFECTIVE DATE: 09/12/97 STAMPS: Cancelled by 1 Rev. Leaf No. 103 Effective 11/01/1999 RECEIVED: 07/03/97 STATUS: Cancelled EFFECTIVE: 09/12/97 GENERAL INFORMATION

17. ADJUSTMENT OF RATES IN ACCORDANCE WITH CHANGES IN THE COST OF PURCHASING GAS (continued)

17.10.2 The total commodity cost of purchased gas, used in the determination of the average commodity cost of purchased gas as defined in Rule 17.10.1, is determined by applying the appropriate supplier(s) commodity rates, exclusive of pipeline transportation charges, which are or will be in effect as of the date which the Commodity Cost Adjustment Clause becomes effective, to the respective quantities of gas taken from the supplier(s) by the Company, for the twelve calendar months immediately preceding the computation date.

17.10.3 The total commodity cost of purchased gas for customers taking service under Service Classification No. 4, used in the determination in Rule 17.10.1, is determined by applying the average commodity cost of gas as defined in Rule 17.10.3.1 below, to the quantity of gas sold to Service Classification No. 4 customers during the twelve calendar months immediately preceding the computation date.

17.10.3.1 The average commodity cost of gas, used in the determination of the total commodity cost of purchased gas for customers taking service under Service Classification No. 4 in Rule 17.10.3 above and Service Classification No. 10, is determined by applying the appropriate supplier(s) commodity rates, exclusive of pipeline transportation charges, which are or will be in effect as of the date on which the Commodity Cost Adjustment Clause becomes effective, to the respective commodity volumes of gas purchased for delivery to customers