

..DID: 836
..TXT: PSC NO: 218 GAS LEAF: 99
COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 09/12/97 SUPERSEDING REVISION:
STAMPS:
Cancelled by 1 Rev. Leaf No. 99 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 PURCHASED GAS (continued)

17.8 Transition Cost Recovery Resulting From The Implementation Of FERC Order 636

17.8.1 Unrecovered FERC Account 191 Costs

Pursuant to Opinion 94-26, dated December 20, 1994, issued by the New York State Public Service Commission in Case 93-G-0932, Service Classification Sales Service customers and customers taking Balanced Aggregation Service or Basic Aggregation Service under Service Classification 11, will be subject to the recovery of Account 191 purchased gas costs charged to the Company by interstate gas pipelines pursuant to rates approved by the Federal Energy Regulatory Commission. These costs reflect purchased gas expenses accumulated in FERC Account 191 which were unrecovered as of the termination of pipeline Purchased Gas Adjustments. An "Account 191 Adjustment Rate" will be computed periodically, but no more often than quarterly. The rate will be designed to collect Account 191 costs currently being billed to the Company by interstate pipelines and costs previously billed and paid, but unrecovered, by the Company. Amounts collected by the Company through the Account 191 Adjustment Rate will be reconciled with Account 191 costs billed and paid by the Company. Any resulting over or undercollection will be added to the Account 191 costs used to calculate the Account 191 Adjustment Rate for the next determination period.

17.8.2 Gas Supply Realignment and Stranded Investment Costs (GSR)

Pursuant to Opinion 94-26, dated December 20, 1994, issued by the New York State Public Service Commission in Case 93-G-0932, customers taking service under Service Classification 1, 2, 3, 5, 7, 8, 10, 12, and 13 will be subject to the recovery of pipeline Gas Supply Realignment and Stranded Investment (GSR) costs charged to the Company by interstate gas pipelines pursuant to rates approved by the Federal Energy Regulatory Commission. Two "GSR Adjustment Rates" will be set periodically. The GSR Adjustment Rate for Service Classification 5, 7, 8 customers will be one-half the GSR Adjustment Rate applicable to all other customers to whom the GSR Adjustment Rate applies if customers switch from sales service to transportation service before March 28, 1996. Otherwise, after March 28, 1996 customers switching from sales service to transportation service will be required to continue to pay the same transition cost surcharge as

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