Received: 07/31/2000 Status: CANCELLED Effective Date: 08/01/2000

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COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 1

INITIAL EFFECTIVE DATE: 08/01/00 SUPERSEDING REVISION: 0

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STAMPS: Issued in Compliance with Order of PSC in C. 99-G-0336 dated 07/27/00.

RECEIVED: 07/31/00 STATUS: Effective EFFECTIVE: 08/01/00 SERVICE CLASSIFICATION NO. 9

NEGOTIATED TRANSPORTATION SERVICE (continued)

DEFINITIONS: (continued)

(m) Current Commodity Cost Rate means a rate per therm equal to the Monthly Commodity Cost of Gas from the Company's gas supplier(s) divided by the quantity of gas used in the computation of said cost. The resulting rate will be adjusted by the Factor of Adjustment as defined in Rule 17.1. These monthly commodity costs are equal to the corresponding dollar amounts used in the calculation of the Monthly Cost of Gas Mechanism.

- (n) Maximum Daily Delivery Quantity means the maximum daily quantity of transportation gas which a customer may use as specified in its Service Agreement.
- (o) Maximum Annual Delivery Quantity means the maximum annual quantity of transportation gas which a customer may use as specified in its Service Agreement.

BILLING QUANTITY:

Each month, the Company will bill the Customer for the Monthly Delivery Quantity. Billing quantities will be adjusted, as applicable, to reflect the duration of any interruptions of service under Special Provision B below, and to reflect gas quantities rolled forward to a subsequent month under Special Provision N below.

RATE:

The charges for service under Service Classification No. 9 shall be as stated in the negotiated Service Agreement. The charges will include the following items as applicable: Company transportation, sales service charges, Rollover charges, Cashout Charges and penalty charges. The minimum rate will recover all incremental costs the Company incurs in serving the Customer plus provide a reasonable contribution to system costs. These minimum costs may be offset by demonstrable benefits to the Company from the Customer.

Issued By: <u>Darlene D. Kerr, Executive Vice President, Syracuse, New York</u>