

..DID: 12651
 ..TXT: PSC NO: 218 GAS LEAF: 124
 COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 1
 INITIAL EFFECTIVE DATE: 08/01/00 SUPERSEDING REVISION: 0
 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
 GENERAL INFORMATION

26. Gas Net Revenue Sharing Mechanism

26.1 By January 31, of each year, the Company will submit for review and approval by the Public Service Commission, its calculation of any net revenue refund or recovery as set forth in Rule 26.2. The Gas Net Revenue Sharing Rate will be based on Delivery Service Revenue Targets approved by the Public Service Commission for Service Classification Nos. 4, 6, 9 in the most recently concluded rate proceeding for the November through October period. The Annual Delivery Service Revenue targets set forth below are applicable to the twelve month periods ending October 31, 2000, 2001, 2002, and 2003. In the event that the Settlement Period in Case 99-G-0336 ends with the final period being less than a full rate year, the targets will be allocated to the months based on monthly interruptible margins. The resulting factors to be applied to determine the prorated monthly interruptible margins are set forth in Appendix C to the Gas Rate and Restructuring Settlement Agreement dated June 12, 2000.

S.C. No. 4 --	\$556,000
S.C. No. 6 --	\$5,552,000
S.C. No. 9 --	\$16,542,000
Total	\$22,650,000

26.2 S.C. 4 and S.C. 6 Delivery Service Revenue Sharing

Eighty percent (80%) of the difference between the Delivery Service Target for S.C. Nos. 4 and 6 as defined in Rule 26.1 and the actual S.C. 4 and 6 delivery service revenues will be flowed through as an increase or decrease to the Gas Delivery Service Rates of S.C. 1, 2, and 3.

26.3 S.C. 9 Delivery Service Revenue Sharing

26.3.1 One hundred percent (100%) of the difference between the Delivery Service Target for S.C. 9 as defined in Rule 26.1 and the actual S.C. 9 delivery service revenues, as adjusted in paragraphs 26.3.2, 26.3.3, 26.3.4, and 26.3.5 below, will be flowed through as an increase or decrease to the Gas Delivery Service Rates of S.C. 1, 2 and 3.

Issued By: Darlene D. Kerr, Executive Vice President, Syracuse, New York