

PSC NO: 219 GAS
 NIAGARA MOHAWK POWER CORPORATION
 INITIAL EFFECTIVE DATE: 06/01/17
 STAMPS:

LEAF: 219.4
 REVISION: 1
 SUPERSEDING REVISION: 0

SERVICE CLASSIFICATION NO. 14
GAS TRANSPORTATION SERVICE FOR DUAL FUEL ELECTRIC GENERATORS (CONTINUED)

G. TRANSPORTATION SERVICE RATES: (continued)

1. Rate Schedule 1- Standard Gas Transportation Service (continued)

f. Daily Cashouts of Imbalances (continued)

- 2) For imbalances where the quantity of natural gas received at the Receipt Point is greater than the quantity of gas consumed by the customer
 - a) Imbalances up to 2% will be aggregated on a monthly basis and , shall be purchased by the Company at the monthly index price
 - b) Imbalances greater than 2% and up to 5%, shall be purchased by the Company at 75% of the Daily Gas Purchase Price
 - c) Imbalances greater than 5% and up to 10%, shall be purchased by the Company at 65% of the Daily Gas Purchase Price
 - d) Imbalances greater than 10% and up to 20%, shall be purchased by the Company at 60% of the Daily Gas Purchase Price
 - e) Imbalances greater than 20% shall be purchased by the Company at 50% of the Daily Gas Purchase Price

Daily Cashouts of Imbalances shall be billed monthly with the Customer's monthly invoice for transportation service. Any discounts or surcharges to the Daily Gas Sales Price or the Daily Gas Purchase Price Under Section f.1 or f.2 are considered penalties.

2. Rate Schedule 2 – Negotiated Gas Transportation Service

The rate for service under this Rate Schedule will be set forth in the service agreement negotiated between the Company and the customer and filed with the Public Service Commission. Negotiated contracts at similar overall terms shall be available to all similarly situated customers. The minimum rate charged must be sufficient to recover all incremental costs incurred to serve the customer and provide a reasonable contribution to fixed costs and long run marginal costs. Depending upon the character of service provided, the rate may include one or more of the following components:

a. Minimum On-System Transportation Charge

All customers receiving firm service will be required to pay a minimum on-system transportation charge commensurate with the level of service provided and guaranteed by the Company.

b. Annual Minimum Bill Obligation

The Company reserves the right to negotiate an Annual Minimum Bill Obligation as part of the contract between the customer and Company.

c. Daily and/or Monthly Cashout Provisions

The negotiated contract between the Company and the Customer may include provisions for the daily and/or monthly balancing of transportation quantities expected against transportation quantities actually received.

Issued By: Kenneth D. Daly, President, Syracuse, New York