

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 11/01/16
STAMPS:

LEAF: 219.2
REVISION: 5
SUPERSEDING REVISION: 3

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

F. DAILY BALANCING SERVICE:

Customers that choose Daily Balancing Service must be a Direct Customer. Customers may elect to take Daily Balancing Service under this service classification to the extent there is sufficient operational flexibility to support this service and subject to prior approval by the Company. Under the Daily Balancing Service, the Company will balance the customer's usage and delivery quantity each day and the customer will be subject to a daily balancing service demand charge and to daily cashouts of imbalances.

To mitigate daily cashouts of imbalances, a customer that takes daily balancing service may designate a Gas Balancing Agent to manage daily nominations and balance gas deliveries on an aggregated basis to one or more of the customer's generating facilities. Should a customer elect to designate a Gas Balancing Agent, a Designation of Gas Balancing Agent Agreement must be entered into by the customer, its Gas Balancing Agent and the Company. Any customer taking balancing service from a gas balancing agent must either be a Direct Customer or in a marketing pool of one.

G. TRANSPORTATION SERVICE RATES:

The customer shall pay the following charges each month for gas transportation service hereunder:

1. Rate Schedule 1- Standard Gas Transportation Service

a. On-System Transportation Charge

A unitized rate equal to the sum of the following:

- | | |
|---|-----------------------|
| 1) Contribution to Overall System Cost: | \$0.10 per dekatherm. |
| 2) Marginal System Costs: | \$0.17 per dekatherm |

b. Value Added Charge

The Value Added Charge is a per dekatherm charge determined in accordance with the definition of Value Added Charge set forth in Section A of this service classification.

c. Daily Balancing Service Demand Charge

The Daily Balancing Service Demand Charge is a per dekatherm charge applicable to customers taking Daily Balancing Service that recovers the cost of firm capacity assets the Company uses to provide Daily Balancing Service. The Daily Balancing Service Demand Charge is set forth on the Statement of Balancing Charges.

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