

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 11/01/14

LEAF: 11
REVISION: 1
SUPERSEDING REVISION: 0

GENERAL INFORMATION

II. RULES AND REGULATIONS:

1. DEFINITIONS AND ABBREVIATIONS:

1.1 Definitions:

Adjusted Gas Revenue: Revenue realized from the applicable service classification rates and charges less revenue taxes, the cost of gas, and the minimum charge. The cost of gas shall be computed by multiplying the average cost of gas per unit as used in the Monthly Cost of Gas (MCG) calculation by the units of gas used.

Asset Management Agreement: A transaction where the Company releases a portion of its upstream capacity rights to a third party subject to satisfaction by that third party of certain specified gas supply requirements of the Company. All such agreements must be structured in accordance with the regulations of the Federal Energy Regulatory Commission.

Company or Utility: Niagara Mohawk Power Corporation.

Cost or Expense: Include all labor, material and other charges applicable thereto including cost of removing and replacing pavement and sidewalks, plus a reasonable allowance for engineering, superintendence, purchasing and use of construction equipment.

Customer: An individual, firm, partnership, corporation, association, municipality, or governmental body lawfully receiving service from the Company.

1. **Non-Residential Applicant:** A person, corporation or other entity, receiving service from the Company, who is not a residential customer as defined in 16 NYCRR, Part II.

Incremental Cost of Gas (ICOG): The highest priced gas delivered to the Company's city gates for a gas day determined by: 1) taking the following indices published in Platts Gas Daily "Daily Price Survey" for that day: a) DTI North Point midpoint; b) DTI South Point midpoint; c) Dawn, Ontario midpoint; and d) Iroquois, receipts midpoint; 2) adding the associated variable and fixed pipeline transporter charges to each of those indices to compute an equivalent city gate delivered price and 3) then selecting the highest of the equivalent city gate delivered prices.

Lead-Lag Rate: Set equal to 6.8%.

Main: A pipeline owned by the Company located on a public or private right-of-way which is available or used to transport gas to more than one service line.

Net Revenue: Revenue realized from the applicable service classification rates and charges less revenue taxes and the cost of gas.

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