

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 07/01/14
STAMPS: Issued in compliance with order in Case No. 09-M-0311 dated June 18, 2014

LEAF: 130
REVISION: 8
SUPERSEDING REVISION: 7

**SERVICE CLASSIFICATION NO. 2
SMALL GENERAL DELIVERY SERVICE AND GAS SUPPLY SERVICE OR
SMALL GENERAL DELIVERY SERVICE ONLY (CONTINUED)**

MONTHLY COST OF GAS:

In addition to the above Delivery Service Charges, customers purchasing their Gas Supply Service from the Company will pay the Monthly Cost of Gas per therm of gas supplied hereunder as explained in Rule 17 of this schedule.

MERCHANT FUNCTION CHARGE:

Customers purchasing their Gas Supply Service from the Company will be subject to a Merchant Function Charge hereunder as explained in Rule 33 of this schedule.

SYSTEM BENEFITS CHARGE:

In addition to the above Delivery Service Charges, all customers taking service under this service classification shall be subject to a System Benefits Charge as explained in General Information Rule No. 31.

INCREMENTAL STATE ASSESSMENT SURCHARGE/CREDIT:

In addition to the above delivery service charges, all customers taking service under this service classification shall be subject to an Incremental State Assessment Surcharge/Credit as explained in General Information Rule 35.

DELIVERY SERVICE ADJUSTMENTS:

All Customers taking service under this service classification shall be subject to a Pipeline Refund as explained in General Information Rule No. 17.6.2.1, a Net Revenue Sharing Adjustment as explained in General Information Rule No. 26, a Research and Development Surcharge as explained in General Information Rule No. 30, a Revenue Decoupling Mechanism Adjustment as explained in General Information Rule No. 32, and a Deferral Credit as explained in General Information Rule No. 34. All customers taking delivery service only under this service classification shall be subject to a System Performance Adjustment as explained in General Information Rule No. 17.1.6.

STATEMENT OF TRANSPORTATION RATES:

All surcharges or refunds applicable to billings for Service Classification Nos. 1, 2, 5, 6, 7, 8, 9 and 13 will be filed with the Public Service Commission apart from this rate schedule not less than two (2) days prior to the first of each month. Such statement will be available to the public at the Company's offices at which application for service may be made.

BALANCING:

Customers not purchasing their gas supply from Niagara Mohawk will be subject to either Daily or Monthly Balancing under Service Classification No. 11 - Load Aggregation.

BTU ADJUSTMENT:

Volumes of gas registered at the customer's meter, in CCF, will be adjusted for BTU content, in Therms, as stated in Rule 14.3.

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