

PSC NO: 214 ELECTRICITY LEAF: 44
 COMPANY: NIAGARA MOHAWK POWER CORPORATION REVISION: 10
 INITIAL EFFECTIVE DATE: JUNE 1, 2016 SUPERSEDING REVISION: 8
 STAMPS: Issued in compliance with Notice issued by the PSC on December 23, 2015 in Case 15-E-0747.

SERVICE CLASSIFICATION NO. 2 (Continued)

7. Permanent Discontinuance

Upon not less than 90 days' prior written notice to Company, customer may request that any facility be discontinued permanently. Company shall have the right to remove or retire-in-place the designated facility(s). The customer is required to compensate the Company for the facility(s) to be permanently discontinued. The compensation is specific to the facility(s) to be permanently discontinued and is comprised of three individual financial components; asset valuation, removal cost and system reconfiguration costs.

- a. Asset valuation shall be determined based upon the facility(s) undepreciated book value, less any facility(s) salvage value, plus the cost of facility(s) removal.
- b. Removal cost shall include all, but not be limited to, labor, material, transportation, administrative and general expenses, site restoration and other charges and adders applicable thereto. In the event permanently discontinued company facilities are replaced with other company facilities at the same time, the removal cost may be waived.
- c. System reconfiguration costs, if necessary, shall include, but not be limited to, all labor, material, transportation, administrative and general expenses and other charges and adders for the Company to perform any electric system reconfigurations required to maintain service to unaffected street light locations.

8. Purchase of Company Facilities

Any municipality or other government entity desiring to purchase the Company's street lighting Facilities used to serve that customer may inform the Company of its interest in purchasing those Facilities as provided herein:

- a. Not more than once in any twenty-four-month period, the customer may submit a request to the Company in writing for a determination of the price at which the Company would agree to sell the complete system of street lighting Facilities providing service to the customer under this Tariff, other than supporting infrastructure, associated electric circuitry and any such street lighting Facilities which are also used to serve other customers.
- b. Within forty-five (45) days of receipt of the customer's written request, the Company shall provide the customer with a proposal for the sale of its street lighting Facilities serving the customer, which shall be determined by the Company taking into account factors which may include, but are not limited to, the fair value of the street lighting Facilities to be sold, the remaining book value of the street lighting Facilities to be sold, potential federal income tax implications, and any other costs which the Company may incur to complete the sale.
- c. At the time the Company provides the proposal described in part (b) above, the Company will also provide the customer with an estimate of its cost to perform a "Detailed Transfer Study", inclusive of all applicable overheads and adders. The Detailed Transfer Study will identify any Separation and/or Reconfiguration Work as defined below:
 1. "Separation Work" is defined as the work required to install electric disconnection equipment complying with Company standards associated with the electric Facilities to be acquired by the customer. The Separation Work may be performed by the customer or by the Company (subject to reconciliation to actual costs as defined below).

Issued by Kenneth D. Daly, President, Syracuse, NY