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PSC NO: 220 ELECTRICITY LEAF: 403
NIAGARA MOHAWK POWER CORPORATION REVISION: 3
INITIAL EFFECTIVE DATE: JANUARY 1, 2012 SUPERSEDING REVISION: 2

STAMPS: Issued in Compliance with Order Issued December 16, 2011 in Case No. 10-E-0050

SERVICE CLASSIFICATION NO. 4 (Continued)

5. Billing Quantities for deliveries of energy associated with Niagara Power Delivery Service for Replacement Power Rate 2

- a. The kilowatt-hours charged will be the customer's contract demand for Replacement Power Rate 2 multiplied by the number of hours in the billing period.
- b. For the purpose of determining the portion of the customer's demands served by sources other than Replacement Power Rate 2:
 - (i) Effective until June 30, 2013: The customer's contract demand for Replacement Power Rate 2 shall be adjusted for losses from the Niagara Switchyard to the customer's meter as provided in paragraphs 4(b)(i) (in the case of Existing Allocations) and 4(c)(i) (in the case of New Allocations) above; and
 - Effective July 1, 2013: The customer's metered demand for electricity supplied in the form of Replacement Power Rate 2 shall be subject to the adjustments for losses in transmission and distribution between the customer's meter and the Niagara Switchyard set out in Rule 39.18 of this Tariff; and
 - (ii) The total kilowatt-hours of Replacement Power Rate 2 received by the customer in any interval shall be the lesser of the total kilowatt-hours of Replacement Power Rate 2 received by the customer during that interval, adjusted for losses in Transmission from the Niagara Switchyard to the customer's meter as described in paragraphs 4(b)(ii) (in the case of Existing Allocations) and 4(c)(ii) (in the case of New Allocations) above; or the total kilowatt-hours received by the customer during that interval as measured by the customer's meter.

6. Billing Quantities for Preservation Power Delivery Service:

- a. Subject to the provisions of subpart c below, the billed demand for Preservation Power Delivery Service shall be the product of the customer's highest 30-minute integrated demand in the billing period recorded on the customer's meter multiplied by the ratio of the customer's contract demand for its allocations of Preservation Power Delivery Service (adjusted for losses as provided in subparts c below) to the greater of the customer's contract demand for Preservation Power Delivery Service or the highest 30-minute integrated demand recorded on the customer's meter for the twelve months ending with the current billing period.
- b. Subject to the provisions of subpart c below, the billed energy in each 30-minute billing interval for Preservation Power Delivery Service shall be the total number of kilowatt-hours recorded on the customer's meter for the billing period multiplied by the ratio of the customer's loss-adjusted contract demand for Preservation Power Delivery Service (adjusted for losses as provided in subparts c and d below) to the greater of the customer's loss-adjusted contract demand for Preservation Power or the highest 30 minute integrated demand recorded on the customer's meter in the twelve months ending with the current billing period.
- c. Adjustments for Losses In Transmission For Preservation Power Delivery Service.
 - (i) The customer's contract demand for Preservation Power Delivery Service shall be adjusted for losses from the St. Lawrence Switchyard to the customer's meter as provided in Rule 39.18 of this Tariff; and