

PSC NO: 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: MARCH 19, 2012

LEAF: 221  
REVISION: 3  
SUPERSEDING REVISION: 2

#### GENERAL INFORMATION

#### 41. ADJUSTMENT OF CHARGES PURSUANT TO THE SYSTEM BENEFITS CHARGE

41.1 The System Benefits Charge (SBC) is a mechanism which permits the Company to recover from customers costs associated with public policy programs including Demand-Side Management, Research and Development, and low income energy efficiency.

41.2 Service bills rendered to customers taking service under P.S.C. Nos. 220 and 214 Electricity are subject to the System Benefits Charge regardless of supplier, except:

- (i) load served by NYPA except as provided in Rule 41.2.1,
- (ii) load served under the Empire Zone Rider as described in
  - a. Rule 34.3.2.2 and
  - b. Rule 34.3.3.2, or
- (iii) as established by contract under the SC-11 or SC-12 tariff as described in
  - a. SC No. 11 - Adjustments and Surcharges and
  - b. SC No. 12 – Sections 5.4.3 and 6.2.3.

41.2.1 Certain NYPA allocations are subject to the System Benefits Charge. These allocations include Economic Development Power (EDP) above the allocated 46 MW, and all deliveries of High Load Factor Fitzpatrick Power not specifically enumerated on Schedule A to the Agreement Among Niagara Mohawk Power Corporation, the New York Power Authority, and the Department of Public Service Resolving and Settling Certain Disputes dated May 22, 1997 or otherwise authorized by that Settlement Agreement.

41.2.2 Customers may elect to pay SBC on any exempt load as described in Rule 41.3 below.

41.2.3 Customers who have load served by NYPA are exempt from the SBC on the NYPA portion of their load, except as provided in Rule 41.2.1. Customers will be assessed the SBC on any non-NYPA portion of their load and would thus qualify to participate in the energy efficiency programs mentioned in Rule No. 41.1.

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