

PSC NO: 214 ELECTRICITY
COMPANY: NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: MAY 21, 2012

LEAF: 44
REVISION: 8
SUPERSEDING REVISION: 7

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.

G. Increase in Rates and Charges

Reference General Information, Section IV.

DETERMINATION OF BILLING:

Reference General Information, Section IV.

A. Minimum Charge

1. Unexpired Term

The application of charges as defined under RATE for the duration of the unexpired term, utilizing the billing quantities effective at the time of termination notice, plus any balance due for service rendered. Reference General Information, Section IV.

2. Termination

The application of Permanent Discontinuance as defined under RATE, Other Charges and Credits, utilizing the billing quantities effective at the time of termination notice. Reference General Information, Section IV.

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