

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: JANUARY 1, 2012

LEAF: 434
REVISION: 2
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS:

G. (Continued)

(ii) The Otherwise Applicable Billing Determinants:

The customer charge of the otherwise applicable service classification shall be reduced by the portion of the SC-7 Customer Charge determined in section (i) above.

The billing determinants of the otherwise applicable service classification shall be determined in accordance with the provisions of that otherwise applicable tariff and adjusted as follows:

Demand charges assessed on a maximum demand shall be reduced by the nameplate generating capacity of the OSG. In the case of customers that would otherwise receive service under SC-3A, the maximum demand (used for distribution delivery) and the maximum on-peak demand (used for the assessment of competitive transition charges) shall be reduced by the nameplate capacity of the OSG.

All energy under this Special Provisions shall be served under Rule No. 46.1 – Electricity Supply Cost.

H. **Waiver of Reactive Demand Charges for Wholesale Generators Larger Than 25 MVA and With Automatic Voltage Control:** For customers who operate a Wholesale Generator in larger than 25 MVA and install automatic voltage control (AVC) at their facilities, reactive demand charges shall be waived, within the parameters defined by the Company during the period in which such AVC is operating and maintained in good working order. The Company shall not waive start-up reactive demand charges. The initial parameters will be determined by the Company and may be changed subject to system conditions and location of the generating unit. The waiver is subject to the Company's rights to periodically review and approve the customer's AVC system and review its operation and performance for compliance with the system requirements.

Issued by Thomas B. King, President, Syracuse, NY