

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: MARCH 1, 2010

LEAF: 388
REVISION: 1
SUPERSEDING REVISION: 0

SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (continued)

- K. In accordance with Case No. 01-M-0075 – Opinion No. 01-6, issued December 3, 2001 and Order Adopting Economic Development Plan, issued and effective October 24, 2002, as corrected in an Errata Notice issued November 13, 2002, qualifying Business Expansion and Business Attraction Customers and qualifying SC12 customers previously receiving Optional Service shall be entitled to a demand charge reduction at the end of their discount term under the following conditions:

SC-12 Business Expansion and Business Attraction Customers who are required to be reclassified in accordance with the provision of this Tariff from SC-2D to SC-3 at the end of the standard 5-year discount term, shall be subject to an additional two (2) years of demand charges at the prevailing SC-2D rate before becoming subject to the SC-3 voltage level specific Distribution Delivery Demand Charge and Competitive Transition Demand Charge associated with its parent SC-3 Standard Tariff rates and charges. At the end of the two (2) year period the customer will no longer be subject to the prevailing SC-2 demand charge and will be subject to the applicable SC-3 demand charges.

SC-12 Customers previously receiving Optional Service who are required to be reclassified in accordance with the provision of this Tariff from SC-2D to SC-3 at the end of the discount term, shall be subject to an additional two (2) years of demand charges at the prevailing SC-2D rate before becoming subject to the SC-3 voltage level specific Distribution Delivery Demand Charge and Competitive Transition Demand Charge associated with its parent SC-3 Standard Tariff rates and charges. At the end of the two year (2) year period the customer will no longer be subject to the prevailing SC-2 demand charge and will be subject to the applicable SC-3 demand charges.

Customers must obtain, at their expense, a comprehensive energy audit before qualifying for this demand charge reduction and will have up to two years to implement any identified energy efficiency measures that have a payback of two years or less. Customers shall also pursue currently available NYSERDA programs to aid in these identified energy efficiency measures. Customers who fail to meet these conditions will, as applicable, be ineligible for the demand charge reduction or forfeit any demand charge reduction described in this Special Provision.

The Company has the right to withhold or terminate funding if customer is in arrears on their current account.

This Special Provision is applicable for the term of the Joint Proposal as approved by the Commission in Case No. 01-M-0075. Accordingly, this Special Provision expires December 31, 2013.