

PSC NO: 219 GAS

LEAF: 122.2

NIAGARA MOHAWK POWER CORPORATION

REVISION: 4

INITIAL EFFECTIVE DATE: 01/01/10

SUPERSEDING REVISION: 3

STAMPS: Issued in compliance with Order in C.07-M-0548 & 09-G-0363 dated October 23, 2009

GENERAL INFORMATION**31. SYSTEM BENEFITS CHARGE: (continued)**

31.2.1.1 Interim Lost Revenue will be calculated monthly for all energy efficiency measures installed under the Interim Energy Efficiency Programs. A measure shall be deemed "installed" for the purposes of calculating Interim Lost Revenue for the month if the measure was actually installed prior to the first day of the month. For each installed energy efficiency measure, the Interim Lost Revenue will be the product of the stipulated energy savings for each installed measure set forth in Table 1 of "Appendix B" and the stipulated rate set forth in Table 2 of "Appendix B" of the Company's Interim Energy Efficiency Joint Proposal filed on August 1, 2008 in Case 08-G-0609.

31.3 Incremental Commercial and Industrial Energy Efficiency Program per October 23, 2009 Order in Cases 07-M-0548 and 09-G-0363

For the period January 1, 2010 through December 31, 2010, and each January through December thereafter as appropriate, a System Benefits Charge (SBC), applicable to Service Classification Nos. 1, 2, and 7, will recover costs associated with energy efficiency programs authorized by the Public Service Commission's Order in Cases 07-M-0548 and 09-G-0363 dated October 23, 2009.

31.4 SBC Calculation

The Company will calculate the SBC by dividing the allowable program costs in accordance with Rule 31.1 and 31.2 above, for the October through September time period plus carrying charges and allowable Interim Lost Revenue in accordance with Rule 31.2.1 above, plus over- or under-recoveries from the prior period, if any, of all efficiency programs in this Rule 31.2 for the upcoming program period by the projected weather normalized delivery volumes for Service Classification Nos. 1, 2 and 7, for the same time period. In addition, the SBC will also divide the allowable program costs in accordance with Rule 31.3 above, for the January through December time period plus carrying charges.

The effective rate shall be set forth on a statement and filed with the Public Service Commission apart from this rate schedule not less than three (3) days prior to the date on which the statement is proposed to be effective.

32. REVENUE DECOUPLING MECHANISM:

32.1 Commencing with the Earnings Year June 1, 2009 – May 31, 2010 in Case 08-G-0609, Service Classification Nos. 1, 2 and 7 will be subject to a Revenue Decoupling Mechanism ("RDM") to reconcile actual delivery service revenues to allowed delivery service revenues.

32.1.1 Actual Delivery Service Revenues are defined as revenues from delivery rates adjusted for the Weather Normalization Adjustment, excluding Gross Receipts Taxes, Merchant Function Charge Revenue, Net Revenue Sharing Surcharge/Credit Revenue, Research and Development Surcharge Revenue, Economic Development discounts, System Benefits Charge Revenues, discounts and customer charges associated with the Low Income Program, Incremental State Assessment Surcharge, and all other applicable credits and surcharges.

32.1.1.1 Actual Delivery Service Revenues for the month of June 2009 and June 2010 included in Actual Delivery Service Revenue referenced in Rule 32.1.1 above will be adjusted to reflect the rate changes effective in May 2009 and May 2010.

Issued By: Thomas B. King, President, Syracuse, New York