

PSC NO: 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 456  
REVISION: 0  
SUPERSEDING REVISION:

### SERVICE CLASSIFICATION NO. 12 (Continued)

#### 4. PROGRAM ELIGIBILITY (Continued)

##### 4.3 Retention: Revitalization (Continued)

##### 4.3.3 Revitalization Plan (Continued)

##### 4.3.3.2 Demonstration of Financial Distress (Continued)

- (d) An outline of reductions in business costs and increases in operating efficiencies. The outline may include, but not be limited to, the following items:
  - (i) renegotiations with raw material, subcomponent and/or service suppliers;
  - (ii) a plan developed jointly by labor and management that addresses the issues of unit product cost reductions and productivity;
  - (iii) local and/or state concessions on taxes;
  - (iv) discontinuance of non-profitable products and development of new products;
  - (v) cash flow improvement;
  - (vi) restructuring of short and long term debt;
  - (vii) capital savings through low cost loans;
  - (viii) increased operating efficiencies through:
    - 1. improved process technologies
    - 2. an employee retraining plan; and
    - 3. reduced energy usage
  - (ix) marketing-related initiatives
- (e) The customer shall demonstrate that it has the support and the participation of other key stakeholders in its business survival, such as the labor force and state/local government.
- (f) The revitalization plan must include pro forma (for 5 years) sources and uses of funds statements submitted on a standard form of the Company's design. The pro forma data again will be analyzed to ensure that the planned cost reduction and revitalization plan will in fact return the facility to a non-distressed state within the five-year program term.
- (g) The plan shall include annual quantitative sales, market share, profit and service level goals.
- (h) The financial data and revitalization plan shall be updated annually, but such updates shall not be used to disqualify a customer from continuing to receive service under this agreement.

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