

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

LEAF: 465
REVISION: 0
SUPERSEDING REVISION:

SERVICE CLASSIFICATION NO. 12 (Continued)

5. INDIVIDUALLY NEGOTIATED RATES

5.1 Eligibility Criteria for Individually Negotiated Rates: Qualifying Customers shall individually negotiate their rates and Customer Service Agreements under this service classification with the Company if they meet the additional requirements of this Section 5:

5.1.1 Retention: On Site Generation and Fuel Switching. All Qualifying Customers demonstrating that the on-site generation and fuel switching alternatives available to them make them Contestable Customers shall individually negotiate rates and Customer Service Agreements with the Company designed to respond to their demonstrated on-site generation and fuel switching alternatives.

5.1.2 Manufacturing and Service Sector Customers: Qualifying Manufacturing and Service Sector Customers not meeting the requirements of Sections 5.1.1 or 5.1.3 of this Service Classification No.12 shall individually negotiate Customer Service Agreements with the Company designed to respond to the demonstrated competitive alternatives for which they qualify for service under this Service Classification SC-12 where any one of the following tests is satisfied:

- 5.1.2.1 The Qualifying Manufacturing or Service Sector Customer imposes or in the Company's opinion is likely to impose monthly electric metered peak demands on the Company in excess of 5,000 kW; or
- 5.1.2.2 The Qualifying Manufacturing or Service Sector Customer has an average monthly load factor or in the Company's opinion is likely to impose an average load factor of at least 70 percent; or
- 5.1.2.3 The Qualifying Manufacturing or Service Sector Customer demonstrates that annual electric bills rendered to its facility paid to the Company represent at least 8 percent of the facility's annual gross revenues from sales; or
- 5.1.2.4 The Qualifying Manufacturing or Service Sector Customer currently employs 300 or more workers; or
- 5.1.2.5 The Qualifying Manufacturing Customer is in the Paper/Paperboard Manufacturing (NAICS Code 3221), Chemicals Manufacturing (NAICS Code 325), Non-Metallic Mineral Products (NAICS Code 327), or Primary Metal Manufacturing (NAICS Code 331) industries.

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