

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

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SUPERSEDING REVISION:

GENERAL INFORMATION

52. LUMP SUM PAYMENT OF TRANSITION COSTS BY CUSTOMERS TOTALLY BYPASSING THE COMPANY'S RETAIL DISTRIBUTION SYSTEM

52.1 PURPOSE

To discourage total bypass of the Company's retail distribution services and charges where such bypass is not economic from society's standpoint and to prevent the shifting of the Company's Transition Costs to other stakeholders that would occur in such circumstances.

52.2 DEFINITIONS

52.2.1 Except as provided in Rule 52.2.2, the term "Municipal Utility" as used in this Rule 52 shall include any governmental body established under state or local law for the purposes of owning or operating facilities for the distribution or furnishing of electric power to any ultimate consumer in the Company's service territory or any portion thereof.

52.2.2 Notwithstanding the provisions of Rule 52.2.1, the Power Authority of the State of New York ("NYPA") shall not be considered to be a Municipal Utility, a utility or an alternative supplier of electric power or Electric Service, for the purposes of this Rule 52 with respect to allocations of electric power by NYPA to ultimate consumers in the Company's service territory: (a) authorized by the Settlement Agreement between the Company, NYPA and the New York State Public Service Commission ("Commission") dated May 22, 1997 and approved by the Commission in Orders dated May 23, 1997, June 10, 1997 and August 20, 1997 in Cases 97-E-0528 and 97-E-0569 or authorized by Chapter 316 of the New York Laws of 1997, as amended by Chapter 386 of New York Laws of 1998; or (b) exempted from exit fees by the Settlement Agreement dated October 10, 1997 and approved by the Commission in Opinion No.98-8 dated March 20, 1998 in Case Nos. 94-E-0098 and 94-E-0099 ("the Settlement Agreement").

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