

PSC NO: 219 GAS

LEAF: 111

NIAGARA MOHAWK POWER CORPORATION

REVISION: 3

INITIAL EFFECTIVE DATE: 05/20/09

SUPERSEDING REVISION: 1

STAMPS: Issued in Compliance with Order of PSC in Case 08-G-0609 dated 5/15/09.

GENERAL INFORMATION**24. ECONOMIC REVITALIZATION INCENTIVE RIDER FOR SC3 LARGE GENERAL SERVICE, SC5 FIRM TRANSPORTATION SERVICE OR SC8 TRANSPORTATION SERVICE WITH STANDBY SALES SERVICE: (continued)**

24.6 A qualified applicant will receive reductions to their monthly service bills by the discounts per term stated in Rule 24.3.

24.7 Provided the applicant continues to be eligible, the incentive rate reduction in effect at the time of qualification as stated in Rule 24.3 will be applied, without modification, to the applicant's bill for the five year discount period, after which time the customer will no longer be qualified for the Economic Revitalization Incentive Rider.

25. ECONOMIC DEVELOPMENT DISCOUNT LIMITATION CLAUSE:

25.1 The Company will establish a cap on the maximum incremental discount amount of net revenue for new applicants the Company is willing to allow in any annual period. This limitation clause refers to customers served under Rule 24 of this Schedule.

25.2 The maximum incremental discount amount allowed in any annual period will be \$0.6 million in the aggregate for all qualifying applicants. This amount will remain in effect until superseded.

26. GAS NET REVENUE SHARING MECHANISM:

26.1 Gas Net Revenue Sharing Time Periods.

26.1.1 September 1, 2008 through May 31, 2009:

By September 1, 2009, the Company will submit for review and approval by the Public Service Commission, its calculation of any net revenue refund or recovery as set forth in Rules 26.2 and 26.3 for the period September 1, 2008 – May 31, 2009. The Delivery Service Net Revenue Targets applicable to September 2008 – May 2009 time period will be the corresponding monthly components of the annual targets of \$419,000 (SC4), \$4,181,000 (SC6), and \$20,000,000 (SC9) established in Section 1.6.2.7 of the Joint Proposal in Case No. 00-M-0075 dated October 11, 2001.

26.1.2 June 1, 2009 and after:

By September 1st of each year thereafter, the Company will submit for review and approval by the Public Service Commission, its calculation of any net revenue refund or recovery as set forth in Rules 26.2 and 26.3 for the previous twelve months ending May time period. The Gas Net Revenue Sharing Rate will be based on Delivery Service Revenue Targets set forth in the Company's Joint Proposal filed February 13, 2009 in Case 08-G-0609 as stated below.

SC No. 4	\$ 603,115
SC No. 6	\$ 4,764,844
SC No. 9	\$11,380,293
Total	\$16,748,252

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