

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: FEBRUARY 1, 2011

LEAF: 236
REVISION: 2
SUPERSEDING REVISION: 0

STAMPS: Issued in Compliance with Order of the PSC in Case No. 10-E-0050 Issued January 24, 2011

GENERAL INFORMATION

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

52.1 PURPOSE

To prevent the shifting of the Company's Transition Costs to other stakeholders that would occur in the event of total bypass of the Company's retail distribution services and charges.

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").

52.3 APPLICABILITY

The Lump Sum Recovery of Transition Costs authorized by this Rule 52 shall apply to customers and locations in the Company's service territory served under Schedules P.S.C. No. 220 Electricity and P.S.C. No. 214 Electricity on or after April 6, 1998 which thereafter receive electric service which bypasses the Company's retail distribution system and Municipal Utilities that serve such customers and locations as set forth below.

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