

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: SEPTEMBER 19, 2011

LEAF: 450
REVISION: 1
SUPERSEDING REVISION: 0

**SERVICE CLASSIFICATION NO. 12
SPECIAL CONTRACT RATES**

PURPOSE:

Pursuant to the Settlement Agreement approved by the Commission in its Opinion and Order issued March 20, 1998 in Case Nos. 94-E-0098 and 94-E-0099, the Company is offering Electric Service under this Service Classification No. 12. The intent of this Service Classification No. 12 is to provide the Company with the ability to address and respond to a broad range of competitive challenges within its service territory using, to the maximum extent practicable, standardized eligibility criteria and pricing. This Service Classification No. 12 shall be used by the Company as the exclusive vehicle for responding to the following competitive categories:

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|-------------------|---|
| Retention: | On-site Generation, Fuel Switching, Revitalization, and Relocation. |
| Growth: | Business Attraction and Business Expansion. |

Customers applying for service under this Service Classification No. 12 that satisfy the requirements of Section 4 of this Service Classification No. 12 are Qualifying Customers as provided in Section 3.6 herein. Qualifying Customers shall receive the applicable standardized discount as provided in Section 5 of this Service Classification No. 12. Where the Company determines at its sole discretion that the eligibility criteria in Section 4 have been satisfied and the standardized discount provided in Section 5 is insufficient to address the Qualifying Customer's economic threat, a Qualifying Customer shall individually negotiate its rates and Customer Service Agreement with the Company under Section 6 of this Service Classification No. 12, provided that the requirements of Section 6 are satisfied.

Customers receiving service under this Service Classification No. 12 shall be subject to a Minimum Bill provision.

1. APPLICABILITY

Service under this Service Classification No. 12 is available to Non-Residential Customers receiving or eligible to receive service under rate schedule SC Nos. 2D, 3, 3A, 4 and 7 provided that those customers, in the sole discretion of the Company, meet the eligibility requirements established herein.

The Company will consider requests for service under this Service Classification No. 12 provided that customer has submitted written application consistent with the requirements of this Service Classification No. 12. Execution by duly authorized representatives of the customer and Company on the Company's proscribed Customer Service Agreement is a prerequisite to service hereunder. The proscribed Customer Service Agreement for customers receiving standardized discounts under Section 5 of this Service Classification No. 12 is the Company's Form I.

Customers may only receive service under one of the programs provided in this Service Classification No. 12 at any one time, provided, however, that Customers with different accounts at different Premises may be eligible to receive discounted service provided that each Premise qualifies independently for a single specific program. Customers with multiple meters at the same facility on one Premise shall complete a single application hereunder. A customer seeking to participate under the revitalization program for more than one facility may aggregate those facilities in the application process provided that the customer provides supporting data for each facility. Each facility must qualify independently to be eligible to participate in the revitalization program.

Customers taking service under this Service Classification No. 12 are not eligible for Rule 34.2 Economic Development Rider. Customers may, however, receive service under this Service Classification No. 12 while receiving a portion of their requirements under either Rule 34.4 (EDP) or Rule 34.5 (PFJR) or successor economic development programs.

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