Received: 03/10/2011 Status: CANCELLED Effective Date: 01/01/2012

PSC NO: 220 ELECTRICITY LEAF: 350
NIAGARA MOHAWK POWER CORPORATION REVISION: 3

SUPERSEDING REVISION: 2

SERVICE CLASSIFICATION NO. 1 (Continued)

ADJUSTMENTS TO STANDARD TARIFF RATES AND CHARGES:

Customers served under this service classification may be subject to adjustments applied in the manner described in each respective Rule.

- Rule 29 Delivery Charge Adjustment
- Rule 40 NYPA Hydropower Reconciliation Benefit Mechanism
- Rule 41 System Benefits Charge
- Rule 42 Merchant Function Charge
- Rule 43 Transmission Revenue Adjustment
- Rule 46 Supply Service Charges
- Rule 49 Renewable Portfolio Surcharge
- Rule 56 Incremental State Assessment Surcharge

INITIAL EFFECTIVE DATE: JANUARY 1, 2012

Rule 57 - Revenue Decoupling Mechanism

INCREASE IN RATE AND CHARGES:

The charges under this Service Classification, including minimum charge, will be increased by a tax factor pursuant to Rule 32.

TERMS OF PAYMENT:

Bills are due and payable when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge pursuant to Rule 26.4.

TERM:

One month and continuously from month to month thereafter until permanently terminated on three days notice to Company, or one year and thereafter until terminated as provided in the written application for service.

SPECIAL PROVISIONS:

- A. Service under this Service Classification is primarily intended for residential customers residing in individual dwelling units.
- 1. When minor professional or commercial operations are conducted within the individual dwelling unit, service under this Service Classification will be permitted providing all of the following three qualifications are met:
- a. The minor professional or commercial operations must be exclusively by the residential customer residing at the individual dwelling unit served. Use of the professional or commercial area by another professional person or persons in addition to the resident disqualifies the customer to receive Electric Service or Electricity Supply Service under this Service Classification.
- **b.** The area used by the minor professional or commercial operations does not exceed 50 percent of the total cubical content of the individual dwelling unit.
- c. Not more than two (2) rooms of any size are contained within the 50 percent cubical content of the area used for professional or commercial operations.

Residential customers having professional or commercial operations within an individual dwelling unit that do not meet all of the three qualifications must take service under the General Service Classification. Such customers, however, can elect to separate the electrical use between the residential area and the area used for professional or commercial operations and to have the Company set an additional meter. The meter used to measure the electrical use in the professional or commercial operations area will be billed under the General Service Classification.