

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 06/23/08

LEAF: 108
REVISION: 1
SUPERSEDING REVISION: 0

GENERAL INFORMATION

24. ECONOMIC REVITALIZATION INCENTIVE RIDER FOR S.C. 3 LARGE GENERAL SERVICE, S.C. 5 FIRM TRANSPORTATION SERVICE OR S.C. 8 GAS TRANSPORTATION SERVICE WITH UPSTREAM PIPELINE CAPACITY RESERVATION: (continued)

24.1.1.3 Whose annual use is in excess of 25,000 dekatherms of sales for S.C. 3 or transportation volumes for S.C. 5 and S.C. 8.

24.1.1.4 The customer must have been in business at that location for at least (7) seven consecutive years; and

24.1.1.5 The customer must meet the financial distress requirements of Section 24.2 of this service classification; and

24.1.1.6 The customer must submit a revitalization plan meeting the requirements of section 24.3 of this service classification.

24.2 Demonstration of Financial Distress:

24.2.1 In order to qualify for a revitalization discount, the customer must provide the Company with persuasive documentary evidence that it is experiencing long-term financial distress and not simply a short-term problem due to market conditions or the business cycle. The information required to make this showing must include:

24.2.1.1 Audited financial statements (balance sheet, income statement and notes to the financial statements) for the specific facility for the three most recent fiscal years. These financial statements shall be accompanied by certification of the customer's Chief Financial Officer affirming that the financial statements comply with generally accepted accounting principles, consistently applied; and

24.2.1.2 Statements of sources and uses of funds for the customer's three most recent fiscal years for the facility in question. This information must be submitted on a standard form of the Company's design; and

24.2.1.3 Such other information as the customer may wish to provide to the Company to support its claims of financial distress.

24.3 Revitalization Plan:

24.3.1 In addition to meeting the financial distress requirement of Section 24.2, the customer must provide the Company with a Revitalization Plan meeting the following requirements:

24.3.1.1 The applicant must identify specific non-energy cost reductions equal to a minimum of 75 percent of the most recent twelve (12) months gas bills priced at the effective tariff rates. These reductions may be either actual or planned, and must be quantifiable on an ongoing basis for the full five-year term.

Issued By: William F. Edwards, President, Syracuse, New York