

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

LEAF: 109
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)

24.3.2 The customer must develop and present for Company approval a detailed revitalization plan which, if fully implemented, would return the facility to profitability within five years. The revitalization plan must include, but not be limited to, the following items:

24.3.2.1 A summary of the customer's current business position within the customer's industry which assesses its strengths and weaknesses.

24.3.2.2 A listing of the customer's prime competitors, and assessment of their relative strengths and weaknesses.

24.3.2.3 Details indicating the applicant's management and ownership structure(s).

24.3.2.4 An outline of reductions in business costs and increases in operating efficiencies. The outline may include, but not be limited to, the following items:

24.3.2.4.1 Renegotiations with raw material, subcomponent and/or service suppliers;

24.3.2.4.2 A plan developed jointly by labor and management that addresses the issues of unit product cost reductions and productivity;

24.3.2.4.3 Local and/or state concessions on taxes;

24.3.2.4.4 Discontinuance of non-profitable products and development of new products;

24.3.2.4.5 Cash flow improvement;

24.3.2.4.6 Restructuring of short and long term debt;

24.3.2.4.7 Capital savings through low cost loans;

24.3.2.4.8 Increased operating efficiencies through:

24.3.2.4.8.1 Improved process technologies;

24.3.2.4.8.2 An employee retraining plan; and

24.3.2.4.8.3 Reduced energy usage.

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