PSC NO: 220 ELECTRICITY LEAF: 170 NIAGARA MOHAWK POWER CORPORATION REVISION: 3 INITIAL EFFECTIVE DATE: JANUARY 1, 2014 SUPERSEDING REVISION: 2 STAMPS: Issued in Compliance with Order dated November 15, 2013 in Case 13-E-0109.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.3 Program 2 - Empire Zone Rider (EZR)

34.3.1 Eligibility Criteria:

34.3.1.1 Any applicant or customer:

34.3.1.1.1 who qualifies for service under and in accordance with the provisions of Service Classification Nos. 2, 3, 3-A, or 4 or who qualifies for service under and in accordance with the provisions of Service Classification No. 7, except an applicant or customer who is a Wholesale Generator as defined in Rule 1.76; and

34.3.1.1.2 who has been certified by the state and local empire zone administrators as being eligible to receive the benefits pursuant to Article 18-B of the General Municipal Law, and;

34.3.1.1.3 who in the case of an existing demand metered customer permanently increases demand by the lesser of twenty-five (25) percent or 100 kW, or;

34.3.1.1.4 who in the case of an existing non-demand metered customer permanently increases their annual energy usage by twenty-five (25) percent.

34.3.1.2 Permanent load shall be defined as the addition of demand and/or kWh which is associated with the installation of new facilities or equipment which consume electricity or a permanent increase in the utilization of manufacturing facilities such as results from the addition of another shift. Seasonal or other fluctuations in load of the customer's existing facilities or equipment, such as heating or air conditioning demands and construction power demands, shall not qualify as meeting the permanent load requirement.

34.3.1.3 Qualifying EZR Load: The load (expressed in kW and kWh) qualified to receive Empire Zone benefits shall be identified according to the billing methodologies specified in Rule 34.3.2 and 34.3.3.

34.3.2 Billing Methodology: Separately Metered EZR Load

34.3.2.1 For customers taking service under Program 2 (EZR) and who have elected to separately meter Economic Development load, the entire separately metered account shall be eligible for the EZR discount rate.

34.3.2.2 Separately Metered Qualifying EZR Load under this EZR program shall be exempt from Rule 41 – System Benefits Charge, unless the customer elects to participate in Rule 41 with respect to such Qualifying EZR Load, as provided in Rule 41.3.