

PSC NO: 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: OCTOBER 21, 2013

LEAF: 168  
REVISION: 1  
SUPERSEDING REVISION: 0

#### GENERAL INFORMATION

#### 34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

##### 34.2 Program 1 - Economic Development Rider (EDR) (Continued)

##### 34.2.3 Alternate Billing Methodology: Non-Separated Loads (Continued)

34.2.3.2 The eligibility criteria as expressed in Rules 34.2.1 and 34.3.1 must be met in the current month's billing period in order for the customer to receive the Economic Development discount in the current month's bill. When the current billing period's metered units do not exceed the base period units by the minimum threshold limits as expressed in Rules 34.2.1 and 34.3.1, then no Economic Development discount shall be applied to the current month's bill.

In order to be eligible for Economic Development Program benefits, customers who subscribe to the Alternate Billing Methodology must register metered usage (demand, on-peak energy, off-peak energy, and total energy) in excess of the base period billing units. When the current month's metered units exceed the base period's units by the minimum threshold limits as expressed in Rules 34.2.1 and 34.3.1 EDR or EZR units shall be identified and eligible for the appropriate Economic discount according to Rules 34.2.2.3 and 34.3.4, respectively. Assuming the minimum thresholds have been met, the demand, RkVA, and energy will be accounted for according to the following rules:

34.2.3.2.1 The Company billing demand for non-~~discounted~~EDP or EZR Service shall be the lesser of the base period demand and the current month's demand. All metered demand in the current billing period which is in excess of the base period demand shall be considered EDR or EZR demand and shall be eligible for the appropriate Economic Development discount.

34.2.3.2.2 The Company billing reactive demand, for non-~~discounted~~EDP or EZR Service shall be the lesser of the base period reactive demand and the current month's reactive demand. All metered reactive demand in the current billing period which is in excess of the base period reactive demand shall be considered EDR or EZR reactive demand and shall be eligible for the appropriate Economic Development discount.

34.2.3.2.3 All metered energy in the current billing period which is in excess of the base period's metered energy shall be considered EDR or EZR energy. If the Economic Development recipient is billed on Niagara Mohawk's Large General Service Time of Use Classification (P.S.C. No. 220 S.C. 3-A), the metered on-peak energy and off-peak energy must both be in excess of the base period's metered on-peak and off-peak energy respectively, to be considered EDR or EZR energy and to be eligible for the appropriate Economic Development discount.

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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, ~~or 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 ~~or who has applied for or is receiving service under SC 7 Special Provision I, for parent rate classes SC 2D, SC 3, and SC 3A without separately metered incremental EZR load;~~ 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.

34.3.1.1.5 SC No. 4 customers may not combine delivery discounts on the same load.

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.

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34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.3 Program 2 - Empire Zone Rider (EZR) (Continued)

34.3.2.3 An electric customer who submeters electricity to customers certified under this program is eligible for the rates for that portion of the purchases deemed eligible by the zone administrator but subject to all rules and provisions of P.S.C. No. 220 Electricity governing submetering.

34.3.3 Alternate Billing Methodology: Non Separated EZR Load

34.3.3.1 For customers taking service under Program 2 (EZR) and who have elected not to separately meter incremental load, the Company will administer EZR discounts according to Rule 34.2.3, Rule 34.3.3.3, and Rule 34.3.4.

34.3.3.2 Customers served under the EZR program who do not separately meter their load shall only be exempt from Rule 41, System Benefits Charge on Qualifying EZR Load, unless the customer elects to participate in Rule 41 with respect to such Qualifying EZR Load, as provided in Rule 41.

34.3.3.3 For eligible Service Classification No. 7 customers, the alternate billing methodology used to separate incremental EZR load from Service Classification No. 7 load (i.e., base load), as provided in Rule 34.2.3 shall be modified as provided herein.

34.3.3.3.1 The customer's total facility load shall replace the billing metered units in the determination of the base period billing units specified in Rule 34.2.3.1. The total facility load represents the customer's load excluding power and energy supplied by the customer's on-site generation, and shall be calculated on an interval-by-interval basis as the sum of the generation metered units and the billing metered units minus any excess generation metered units that are delivered back to the Company's electric system. In the event power and energy was supplied by on-site generation during the 12-month period used to calculate the base year billing determinants and generation interval-by-interval metering data was not available for all or part of the 12-month period, the Company shall estimate the total facility load.

34.3.3.3.2 In each billing period, the total facility load shall be determined by adding, on a metered interval-by-interval basis, the generation demand and energy values to the billing demand and energy values, minus any excess generation demand and energy values that are delivered back to the Company's electric system. The total facility load demand and energy shall replace the current month's demand and energy specified in Rule 34.2.3.2 in the determination of the customer's eligibility for EZR benefits in the applicable Billing Period, the customer's EZR demand and energy available for the EZR discount, and the Company billing demands and energy for non-~~discounted~~EZR service.

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34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.7 Program 6 –Excelsior Jobs Program (“EJP”)

34.7.1 Eligibility Criteria:

34.7.1.1 Any applicant or customer:

34.7.1.1.1 who qualifies for service under and in accordance with the provisions of Service Classification Nos. 2, 3, or 3-A, 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

34.7.1.1.2 who has been certified by NYS Department of Economic Development as being eligible to receive the benefits pursuant to Article 17 of the Economic Development Law (Excelsior Jobs Program Act) and the Company receives a certificate of tax credit for that applicant/customer from the NYS Department of Economic Development; and

34.7.1.1.3 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 more, or;

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

34.7.1.1.5 SC No. 4 customers may not combine delivery discounts on the same load.

34.7.1.3 Qualifying Excelsior Jobs Program Load: The load (expressed in kW and kWh) qualified to receive Excelsior Jobs Program benefits shall be identified according to the billing methodologies specified in Rule 34.7.2 and 34.7.3.

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GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.7 Program 6 - Excelsior Jobs Program ("EJP") (Continued)

34.7.3 Alternate Billing Methodology: Non-Separated Loads (Continued)

34.7.3.2 The eligibility criteria as expressed in Rule 34.7.1.1.3 or 34.7.1.1.4 must be met in the current month's billing period in order for the customer to receive the EJP discount in the current month's bill. When the current billing period's metered units do not exceed the base period units by the minimum threshold limits as expressed in these rules, then no EJP discount shall be applied to the current month's bill.

In order to be eligible for EJP discounts, customers who subscribe to the Alternate Billing Methodology must register metered usage (demand, on-peak energy, off-peak energy, and total energy) in excess of the base period billing units. When the current month's metered units exceed the base period's units by the minimum threshold limits as expressed in Rule 34.7.1.1.3 or Rule 34.7.1.1.4, EJP units shall be identified and eligible for the EJP discount. Assuming the minimum thresholds have been met, the demand and energy will be accounted for according to the following rules:

34.7.3.2.1 The Company billing demand for non-~~discounted~~EJP Service shall be the lesser of the base period demand and the current month's demand. All metered demand in the current billing period which is in excess of the base period demand shall be considered EJP demand and shall be eligible for the appropriate EJP discount.

34.7.3.2.2 All metered energy in the current billing period which is in excess of the base period's metered energy shall be considered EJP energy.

34.7.3.2.3 All metered quantities shall be converted to billing quantities according to Rule 25.4 prior to determining the customer's bill.

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34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.7 Program 6 - Excelsior Jobs Program ("EJP") (Continued)

34.7.3.3 For eligible Service Classification No. 7 customers, the alternate billing methodology used to separate incremental EJP load from Service Classification No. 7 load (i.e., base load), as provided in Rule 34.7.3 shall be modified as provided herein.

34.7.3.3.1 The customer's total facility load shall replace the billing metered units in the determination of the base period billing units specified in Rule 34.7.3.1. The total facility load represents the customer's load excluding power and energy supplied by the customer's on-site generation, and shall be calculated on an interval-by-interval basis as the sum of the generation metered units and the billing metered units minus any excess generation metered units that are delivered back to the Company's electric system. In the event power and energy was supplied by on-site generation during the 12-month period used to calculate the base year billing determinants and generation interval-by-interval metering data was not available for all or part of the 12-month period, the Company shall estimate the total facility load.

34.7.3.3.2 In each billing period, the total facility load shall be determined by adding, on a metered interval-by-interval basis, the generation demand and energy values to the billing demand and energy values, minus any excess generation demand and energy values that are delivered back to the Company's electric system. The total facility load demand and energy shall replace the current month's demand and energy specified in Rule 34.7.3.2 in the determination of the customer's eligibility for EJP benefits in the applicable Billing Period, the customer's EJP demand and energy available for the EJP discount, and the Company billing demands and energy for non-~~discounted~~EJP service.

34.7.3.3.3 Charges for demand and energy not available for EJP discount shall be as specified in Special Provision K of Service Classification No. 7

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#### GENERAL INFORMATION

#### 34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

##### 34.7 Program 6- Excelsior Jobs Program ("EJP") (Continued)

##### 34.7.4 Electric Pricing For Qualifying EJP Load

34.7.4.1 Unless otherwise taking service under Rule 39, Retail Access Program, customers served under Program 6, EJP, shall be subject to Electricity Supply Cost in accordance with Rule 46.1 (Electricity Supply Cost).

34.7.4.2 EJP Load shall be subject to all surcharges and adjustments of the customer's otherwise applicable parent service classification. EJP customers will not be subject to Rule 57- Revenue Decoupling Mechanism, Rule 46.2-Legacy Transition Charge, and Rule 59- Temporary Deferral Recovery Surcharge on the EJP portion of their load.

34.7.4.3 Customers who have met the qualifications in accordance with Rule No. 34.7.1 above and from whom the Company has received the Certificate of Tax Credit from the NYS Department of Economic Development will have their EJP load priced at the following rates.

Delivery Rates Applicable to Qualifying EJP Load:

	<u>Per kWh</u>	<u>Per kW</u>
SC2	\$0.00325	
SC2D		\$4.67
SC3 - Secondary		\$3.74
SC-3 Primary		\$2.16
SC-3 Sub Transmission		\$2.00
SC-3 Transmission		\$2.00
SC-3A Secondary		\$4.08
SC-3A Primary		\$4.08
SC-3A Sub Transmission		\$2.51
SC-3A Transmission		\$1.70

\*SC7 customers will be subject to the rates of their Parent Service Classification above.

~~\*\* All EJP Customers pay full standard tariff charges on their non EJP load.~~

##### 34.7.4.4 Certification and Verification

Customers qualifying for the EJP discount will be eligible to qualify to receive a certificate of tax credit from the State of New York each year which will entitle the customer to receive service at the discounted rates in Rule 34.7.4.3 for the following 12 month period commencing with the next full billing period after the utility receives the certificate of tax credit. Service at discounted rates will end no later than fifteen months after receipt of such notification. The Company shall receive a copy of this certificate of tax credit prior to billing the discounted rate.

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### SERVICE CLASSIFICATION NO. 4 (Continued)

In either event, the rates, terms and conditions specified in the applicable parent service classification shall apply to SC-4 Supplemental Service, with the exception of supplemental service that is EJP or EZR qualifying load, is subject to the terms of the Special Provisions of this Rate Schedule S.C. No. 4.

### CALENDAR MONTH BILLING FOR NIAGARA POWER DELIVERY SERVICE, HLF DELIVERY SERVICE, PRESERVATION POWER DELIVERY SERVICE, AND SC-4 SUPPLEMENTAL SERVICE

The rates applicable to Niagara Power Delivery Service, HLF Delivery Service, Preservation Power Delivery Service, and SC-4 Supplemental Service shall be for a calendar month billing period.

### DETERMINATION OF BILLING QUANTITIES

1. Company will normally furnish and install meters at the customer's expense to measure the total electric service taken by the customer, including SC-4 Supplemental Service, Niagara Power Delivery Service, Preservation Power Delivery Service and HLF Delivery Service. When the metering voltage is either higher or lower than the delivery voltage, such measurements shall be conformed to the delivery voltage measurements as provided in Rule 25.4 of the General Information.
2. Metering facilities may be installed by NYPA instead of by the Company with the Company's approval. In this case, the metering equipment and installation must meet the specifications of both the Company and the New York State Public Service Commission and the customer shall be eligible for a metering credit pursuant to Rule 25.1.1.1.
3. **Billing Quantities for deliveries of demand associated with Niagara Power Delivery Service for Expansion Power and Replacement Power Rate 1 and Replacement Power Rate 2**

Effective until June 30, 2013, the customer's billed demand for Niagara Power Delivery Service associated with Expansion, Replacement Power Rate 1 and Replacement Power Rate 2 shall be the kilowatts of such service which the customer is entitled to receive under its allocation agreement(s) with NYPA. Effective July 1, 2013, the customer's billed demand for Niagara Power Delivery Service associated with Expansion Power and Replacement Power Rate 1 shall be the lesser of the customer's contract demand for Niagara Power Delivery Service (adjusted for losses as provided in subparts (b) and 4(c) below) or the highest 30-minute integrated demand recorded on the customer's meter for the current billing period, and the customer's billed demand for Niagara Power Delivery Service associated with Replacement Power Rate 2 shall be the kilowatts of such service which the customer is entitled to receive under its allocation agreement(s) with NYPA (adjusted for losses from the Niagara Switchyard to the customer's meter as provided in sections 4(b) and 4(c) below).

4. **Billing Quantities for deliveries of energy associated with Niagara Power Delivery Service for Expansion Power and Replacement Power Rate 1**
  - (a) Effective until June 30, 2013: The billed energy in each 30-minute billing interval for Niagara Power Delivery Service for Expansion Power and for Replacement Power Rate 1 shall be the total number of kilowatt-hours recorded on the customer's meter for the billing period multiplied by the ratio of the customer's demand for Expansion Power and Replacement Power Rate 1 (adjusted for losses as provided in subparts b and c below) to the greater of the customer's loss-adjusted contract demand for Expansion Power and/or Replacement Power Rate 1 or the highest 30 minute integrated demand recorded on the customer's meter in the twelve months ending with the current billing period.

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#### SERVICE CLASSIFICATION NO. 4 (Continued)

- E. **Individually Negotiated Rates:** The Company will entertain, when circumstances warrant and when NYPA consents to any required changes in the applicable billing methodology for the delivery of NYPA Power, individually negotiated contracts under rate schedule S.C. No. 12 with customers who would otherwise be served under this Service Classification.
- F. **Exemption from Certain Provisions of Rate Schedule S.C. No. 3:** Customers receiving SC-4 Supplemental Service under rate schedule S.C. No. 4 who are billed in accordance with the provisions of rate schedule S.C. No. 3 shall be exempt from Special Provisions E, F, and H of that rate schedule.
- G. **Special Rule for SC-4 Supplemental Service:** SC-4 Supplemental Service, with the exception of supplemental service that is EJP or EZR qualifying load, shall be subject to all surcharges and tax factors imposed on service under the applicable Parent Service Classification, including without limitation the SBC established in Rule 41, the Renewable Portfolio Surcharge established in Rule 49 and the Tax Factor established in Rule 32.
- H. **Special Rules for HLF Delivery Service**
- (1) HLF Delivery Service shall be subject to Rule No. 56-Incremental State Assessment Surcharge, Rule No. 59-Temporary Deferral Recovery Surcharge/Credit, and the Tax Factor established in Rule 32.
  - (2) In the event that the customer fails to execute a Form C Agreement specifying its contract demand for HLF Delivery Service, the customer's contract demand for such service shall be deemed to be the lesser of:
    - (a) the customer's maximum entitlement to HLF Delivery Service under the May 22, 1997 Settlement; or
    - (b) the amount of firm point-to-point transmission capacity on the Company's system reserved by NYPA for deliveries to the customer, adjusted for losses in transmission and distribution.
  - (3) (a) In the event that the customer's total allocation(s) of HLF Power at a single location is reduced the following special rules shall apply:
    - (i) If SC-4 Supplemental Service did not contribute to meeting the customer's maximum demand in the billing month or any of the eleven preceding months prior to July 1, 2013 only, the customer's demand in the months preceding the reduction of the customer's total NYPA ESS shall not be considered in calculating the customer's bills under subpart (a) above, and
    - (ii) If SC-4 Supplemental Service did contribute to the customer's maximum demand in the billing month or any of the preceding eleven billing months, the Company shall adjust the customer's maximum demand for each of the preceding eleven months prior to July 1, 2013 only solely for the purpose of calculating the current month's bills for HLF Service.

This adjustment shall be performed by subtracting the contribution to the customer's maximum metered demand in each of the preceding eleven billing months prior to July 1, 2013 only, made by the customer's reduced contract capacity for NYPA ESS from the customer's overall maximum metered demand in each such month. These adjusted monthly maximum metered demands shall then be used to determine the customer's bill for HLF Delivery Service for the current month.