

PSC NO: 220 ELECTRICITY
 NIAGARA MOHAWK POWER CORPORATION
 INITIAL EFFECTIVE DATE: JANUARY 1, 2012
 STAMPS: Issued in Compliance with Order Issued December 16, 2011 in Case No. 10-E-0050

LEAF: 407
 REVISION: 7
 SUPERSEDING REVISION: 6

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 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 CTC Exempt HLF Delivery Service**
- (1) CTC Exempt HLF Service 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.
 - (2) In the event that the customer fails to execute a Form C Agreement specifying its contract demand for CTC Exempt 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 CTC Exempt 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 CTC-Exempt 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, 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 solely for the purpose of calculating the current month's bills for CTC Exempt 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 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 CTC Exempt HLF Delivery Service for the current month.

Issued by Kenneth D. Daly, President, Syracuse, NY