

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: 408.5
 REVISION: 1
 SUPERSEDING REVISION: 0

SERVICE CLASSIFICATION NO. 4 (Continued)

- c. **Existing Allocations** as used in Special Provision L above shall be defined as allocations of Expansion and Replacement Power which are not New Allocations or Additional Allocations. A customer with one or more Existing Allocation may receive one or more New and/or Additional Allocations without causing its Existing Allocations to be classified as New or Additional Allocations under this service classification.
2. Rule for Allocations of CTC Exempt HLF Power
- a. **Existing Allocations** as used in Special Provision K above shall be defined as allocations of CTC Exempt HLF Power approved by NYPA's trustees prior to February 1, 2002.
 - b. **New Allocations** as used in Special Provision K above shall be all allocations of CTC Exempt HLF Power which are not Existing Allocations. A customer with one or more Existing Allocations may receive one or more New Allocations without causing its Existing Allocations to be classified as New Allocations under this service classification.

N. Electricity Supply Service Under Rate Schedule S.C. No. 4

- a. Effective Until June 30, 2013: The Company shall purchase ESS associated with Niagara Power Delivery Service from NYPA and resell such ESS to the customer with no markup pursuant to the provisions of an agreement between the Company, the customer and NYPA.

Effective July 1, 2013: NYPA shall sell ESS associated with Niagara Power Delivery Service directly to the customer and shall be solely responsible for billing and collection of any and all charges for such service, including without limitation any and all charges imposed by the NYISO on Load Serving Entities providing ESS to the Company's retail customers

- b. NYPA shall sell ESS associated with CTC Exempt HLF Delivery Service and Preservation Power directly to the customer and shall be solely responsible for billing and collection of such charges. NYPA shall serve as the LSE under the NYISO OATT for all purposes with respect to the ESS associated with CTC Exempt HLF Delivery Service and Preservation Power Delivery Service.
- c. ESS associated with SC-4 Supplemental Service shall be provided by the Company under Rule 46, unless the customer affirmatively elects and qualifies to receive ESS from an alternate supplier as provided in Rule 39. The Company shall serve as the LSE under the NYISO OATT for all purposes with respect to such SC-4 Supplemental Service.

O. Special Rule For Certain Grandfathered Deliveries of St. Lawrence Power

Commencing January 1, 2008, those customers to whom the Company made retail deliveries of electricity produced by NYPA's St. Lawrence Project ("St. Lawrence Power") on November 1, 1999 shall be eligible to receive Delivery Service from the Company for the amount of St. Lawrence Power which the Company was contractually obligated to deliver to the customer on November 1, 1999. Such Delivery Service shall be provided at the rates, terms and conditions for deliveries of Existing Allocations of Expansion Power established in this Service Classification No. 4, provided however that NYPA shall sell ESS associated with such deliveries directly to the customer and shall be solely responsible for billing and collection of such charges.

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