

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: MARCH 19, 2012
STAMPS: Issued in Compliance with Order Issued December 16, 2011 in Case No. 10-E-0050.

LEAF: 263.1
REVISION: 3
SUPERSEDING REVISION: 1

GENERAL INFORMATION

56. INCREMENTAL STATE ASSESSMENT SURCHARGE ("ISAS"):

56.1 The rates and charges under PSC No. 220, Service Classifications 1, 1C, 2, 3, 3A, 4, 7 and all PSC No. 214 service classifications, shall be increased by a surcharge to recover the Temporary State Energy And Utility Service Conservation Assessment pursuant to Chapter 59 of the Laws of 2009, Public Service Law §18-a(6). Beginning July 1, 2009 and each July 1st thereafter, the Incremental State Assessment Surcharge ("ISAS") shall be designed to recover the Incremental State Assessment and other allowable associated costs as determined in Case 09-M-0311, "Implementation of Chapter 59 of the Laws of 2009 Establishing a Temporary Annual Assessment Pursuant to PSL §18-a(6)".

56.1.1 This surcharge may also be applicable to PSC No. 220 Service Classifications Nos. 11 and 12 in accordance with the terms of their individual contracts.

56.1.2 The surcharge will also be applicable to kW consumption associated with Empire Zone qualifying load and NYPA hydro sales under SC No. 4, Replacement and Expansion Power, Economic Development Power, Power for Jobs, Recharge New York Power, and Preservation Power.

56.2 The Incremental State Assessment shall be allocated to each service classification based on the percentage of each service classification's contribution to the total projected Intrastate Revenue (both delivery and supply) and delivery revenue associated with Rule No. 56.1.2, including estimated sales revenues for the electricity supply sold to end-use customers by ESCos.

56.2.1 The ISAS shall be calculated by dividing the amount of Temporary State Energy and Utility Service Conservation Assessment for each service class as determined in Rule 56.2 by the forecasted annual sales.

56.2.2 The ISAS will be collected on a volumetric basis, per kWh for non-demand classes and per kW for demand service classifications.

56.2.3 Recoveries resulting from the Incremental State Assessment Surcharge shall be reconciled as determined in Case 09-M-0311, "Implementation of Chapter 59 of the Laws of 2009 Establishing a Temporary Annual Assessment Pursuant to PSL §18-a(6)".

56.3 The ISAS will be shown on statements filed with the Public Service Commission not less than fifteen (15) business days before the date on which the statement is proposed to be effective.

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