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PSC NO: 220 ELECTRICITY NIAGARA MOHAWK POWER CORPORATION INITIAL EFFECTIVE DATE: JANUARY 1, 2012 LEAF: 402 REVISION: 3 SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION NO. 4 (Continued)

- b. Adjustments for Losses In Transmission For Existing and Additional Allocations of Expansion and Existing Allocations of Replacement Power Rate 1.
 - (i) Effective until June 30, 2013:
 - a. The customer's contract demand for Existing and Additional Allocations of Expansion Power and for Existing Allocations of Replacement Power Rate 1 shall be adjusted for losses from the Niagara Switchyard to the customer's meter as provided for the allocation(s) in question in the Company's Rate Schedule FERC Nos. 19 (for Replacement Power Rate 1) and 159 (for Expansion Power) prior to the performance of the calculations in subpart a above; and
 - b. The customer's receipts of Niagara Power Delivery Service associated with Existing and Additional Allocations of Expansion Power and Existing Allocations of Replacement Power Rate 1 as determined in subpart a above shall be adjusted for losses from the customer's meter to the Niagara Switchyard as provided for the allocation(s) in question in the Company's Rate Schedule FERC Nos. 19 (for Replacement Power Rate 1) and 159 (for Expansion Power) to produce the final billing demands and billing energy for such service.
 - (ii) Effective July 1, 2013:
 - a. The customer's contract demand for New Allocations of Expansion Power and Replacement Power Rate 1 shall be adjusted for losses from the Niagara Switchyard to the customer's meter as provided in Rule 39.18 of this Tariff prior to the performance of the calculations in subpart a above; and
 - b. The customer's metered receipts of electricity supplied in the form of Niagara Power Delivery service shall be adjusted for losses from the customer's meter to the Niagara Switchyard provided in Rule 39.18 of this Tariff.
- c. Adjustments for Losses In Transmission For New Allocations of Expansion Power and Replacement Power Rate 1
 - (i) The customer's contract demand for New Allocations of Expansion Power and Replacement Power Rate 1 shall be adjusted for losses from the Niagara Switchyard to the customer's meter as provided in Rule 39.18 of this Tariff prior to the performance of the calculations in subpart a above; and
 - (ii) The customer's metered demands for Niagara Power Delivery Service associated with New Allocations of Expansion Power and Replacement Power Rate 1 shall be adjusted for losses from the customer's meter to the Niagara Switchyard as provided in Rule 39.18 of this Tariff.

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