PSC NO: 220 ELECTRICITY NIAGARA MOHAWK POWER CORPORATION **INITIAL EFFECTIVE DATE: JANUARY 1, 2012**

LEAF: 408.3 **REVISION: 2** SUPERSEDING REVISION: 0

SERVICE CLASSIFICATION NO. 4 (CONTINUED

Existing Allocations are defined in Special Provision M below.

2. Additional Allocations. Distribution delivery rates for Additional Allocations of Expansion Power shall include the rates set out above for Existing Allocations plus an additional charge determined by multiplying the difference between that transmission service charge and the total delivery charges for New Allocations set out below by the following percentage amounts:

20%

| - | through 10/31/2007 | 0% |
|---|--------------------|----|
| | | |

- 11/1/2007 through 10/31/2008
- 11/1/2008 through 10/31/2009 40%
- 11/1/2009 through 10/31/2010 60%
- 11/1/2010 through 10/31/2011 80% -
- 11/1/2011 through 12/31/2011 100% -
- 3. New Allocations. Subject to the provisions of Special Rule I (1) above, distribution delivery rates for New Allocations of Niagara Power shall be set according to the distribution delivery rates for the customer's Parent Service Classification (S.C. No. 3 or S.C. No. 3A, as applicable).

The distribution delivery rates for New Allocations of Niagara Power to S.C. 4 customers with supplemental service provided at the S.C. No. 3 rates are as follows:

| Delivery Level | Rate Per kW of Contract Demand | Rate per kWh of Energy Delivered |
|------------------------------|-----------------------------------|-------------------------------------|
| Secondary (<2.2 kV) | \$9.08 | \$0.00000 |
| Primary (2.2 - 15 kV) | \$7.33 | \$0.00000 |
| Subtransmission (22 - 50 kV) | \$2.32 | \$0.00000 |
| Transmission (>60 kV) | \$2.32 | \$0.00000 |

The distribution delivery rates for New Allocations of NYPA hydro to S.C. 4 customers with supplemental service provided at the S.C. No. 3A rates are as follows:

| Delivery Level | Rate Per kW of Contract Demand | Rate per kWh of Energy Delivered |
|------------------------------|-----------------------------------|-------------------------------------|
| Secondary (<2.2 kV) | \$8.18 | \$0.00000 |
| Primary (2.2 - 15 kV) | \$8.21 | \$0.00000 |
| Subtransmission (22 - 50 kV) | \$2.97 | \$0.00000 |
| Transmission (>60 kV) | \$2.39 | \$0.00000 |

New Allocations are defined in Special Provision M below.