

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 436
REVISION: 0
SUPERSEDING REVISION:

SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS:

**I. Individually Negotiated Contract Rates For Standby Electric Service
(Continued)**

2. Eligibility (Continued)

- (g) Verification that any necessary environmental or other permits can be obtained.
- (h) Corporate federal and state income tax rates.
- (i) Verification of all terms and conditions related to any performance contract that may be offered to the customer by any vendor or other contractor in connection with the customer's proposed project.

The Company will evaluate the information provided by the customer. The customer will be eligible for a CTC discount if the Company determines that the net present value of the customer's isolation project is more than the net present value of taking backup service from the Company under non-discounted SC-7 rates.

The Company will notify the customer of its decision within 60 days after the customer provides all the required information to the Company.

The Company has the sole discretion to determine whether to grant a CTC discount and, if so, in what amount. However, if a customer is not satisfied with the reasonableness of the Company's response and/or offer, the customer has the right to petition the Commission for a review of the matter, in accordance with the Commission's rules and procedures.

3. Standards for Individually Negotiated SC-7 Contracts

Customer Service Contracts A customer receiving a discount under this Special Provision I must execute a Customer Service Contract which specifies the terms and conditions of the agreement between the Company and customer. The Customer Service Contract shall be considered confidential.

Term The term of the Customer Service Contract shall be five (5) years or less. No Customer Service Contract shall extend beyond December 31, 2011. During the term of the Customer Service Contract, the customer will not have the right to isolate from the Company's system.

Issued by Thomas B. King, President, Syracuse, NY