

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

LEAF: 437
REVISION: 0
SUPERSEDING REVISION:

SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS:

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

3. **Standards for Individually Negotiated SC-7 Contracts (Continued)**

Pricing. Pricing shall consist of the SC-7 rates otherwise applicable to the customer except that the Competitive Transition Charge ("CTC") portion of the otherwise applicable SC-7 Rate will be reduced. The CTC reduction will be determined by the Company on a case-by-case basis according to the nature of the competitive situation. The final pricing arrangements between the Company and customer shall be included in the Customer Service Contract. Under no circumstances will the discount exceed 70% of the amount of the otherwise applicable CTC portion of the SC-7 Rate. Non-CTC SC-7 charges will not be discounted under any circumstances.

In the event that the customer

- (1) installs a new OSG; or
- (2) materially modifies its existing OSG,

such that the new OSG or modified OSG actually placed in-service varies materially in specification or size from the main generating capacity specified in the isolation study that substantiated the CTC discount, and such variation in specification or size also is material to the economic evaluation upon which the discount offered to the customer was based, then any cost savings associated with the reduced scope or scale of the main generating capacity shall be the basis of an amendment to the agreement to increase the customer's CTC contribution.

However, in the event an amendment is not mutually agreed to between the parties, the Company will have the right to terminate the contract and the full service SC-7 rate shall apply retroactively to the date at which the actual operation of the main generating OSG varied from that specified in the study, subject to the customer's right to file a petition with Commission for a review of the matter.

The Company shall retain the right to inspect the OSG and premises upon reasonable notice to the customer.

Adjustments, Surcharges, and Tax Factors. Customers who receive discounts under an individually negotiated Customer Service Contract shall be subject to all adjustments, surcharges and tax factors that apply to customers who receive service under SC-7. There will be no discounts of applicable, adjustments, surcharges and tax factors.

Payment of Undisputed Bills. The Company shall include a provision in its Customer Service Contract that requires the customer to be current in its payment of all undisputed bills. The Company shall also require the customer to furnish a security deposit in accordance with rules and policies as a precondition to receive discounted service from the Company. Customers who have executed a deferred payment agreement with the Company consistent with Rule 26.9 - Deferred Payment Agreement "(DPA)" of this Tariff, and are in full compliance with the requirements of this DPA shall be eligible to receive service under this Special Provision I.

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