

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

LEAF: 153  
REVISION: 0  
SUPERSEDING REVISION:

#### GENERAL INFORMATION

### 32. INCREASE IN RATES APPLICABLE IN MUNICIPALITY WHERE SERVICE IS SUPPLIED:

#### 32.1 REVENUE TAX SURCHARGE

32.1.1 The rates and charges for service under all Service Classifications of this Schedule P.S.C. No. 220 Electricity, and under all Service Classifications of P.S.C. No. 214 Electricity, and including all surcharges and minimum or customer charges as applicable, shall be increased by a factor, one for commodity revenue and one for delivery revenue, developed from the aggregate percentage rate of the taxes imposed on the Company's commodity and delivery electric revenues pursuant to Section 186-a of the State Tax Law; Section 20-b of the General City Law; and Section 5-530 of the Village Law. The total of all rates and charges will be multiplied by a factor equal to the result of the tax rate divided by 1 (one) minus the tax rate (1-tax rate) for the appropriate municipality.

32.1.1.1 Delivery Revenue is defined as all charges on the delivery portion of a customer's bill less Commodity Revenue as defined in Rule 32.1.1.2 below, inclusive of the Electricity Supply Cost Adjustment Charge applicable to S.C. No. 11 customers whose contracts reference system average commodity rates.

32.1.1.2 Commodity Revenue is defined as Locational Based Marginal Pricing and Locational Based Marginal Capacity Price as defined in Rules 1.63 and 1.64, respectively, and determined in accordance with Rule 46 of this Tariff.

32.1.2 Under the Retail Access Program, as defined in Rule 39 of this Tariff, the following conditions apply for the application of the taxes defined under this Rule 32.

32.1.2.1 In the circumstance where the Company provides the transmission, distribution and delivery service for the Customer and is also the providing electricity supply service to the Customer, all elements of this tax as described in Rule 32.1 shall be applicable to the aforementioned rates and charges.

32.1.2.2 In the circumstance where the Company provides only the transmission and delivery service for the Customer, and the electricity supply service is provided to the Customer by an entity other than the Company, only Section 186-a of the State Tax Law shall be applicable to the Company's transmission distribution and delivery service rates and charges. The applicable delivery and/or commodity tax factors shall be applied to the respective delivery and commodity rates and charges as defined above.

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