Received: 05/19/2009 Status: CANCELLED Effective Date: 05/20/2009

PSC NO: 219 GAS

NIAGARA MOHAWK POWER CORPORATION

INITIAL EFFECTIVE DATE: 5/20/09

LEAF: 122.8

REVISION: 1

SUPERSEDING REVISION:

STAMPS: Issued in Compliance with Order of PSC in Case 08-G-0609 dated 05/15/09.

GENERAL INFORMATION

35. INCREMENTAL STATE ASSESSMENT SURCHARGE (continued):

- 35.3 The Incremental State Assessment Surcharge for each Applicable Service Class shall be calculated by dividing the Incremental State Assessment for the Service Class by the forecasted throughput for the period May 20, 2009 March 31, 2010 for the initial Fiscal Year. Thereafter the Incremental State Assessment shall be divided by throughput for the applicable April March time period.
 - 35.3.1 The initial Incremental State Assessment Surcharge shall be based on State Assessment for the 2009/2010 State Fiscal Year and will become effective May 20, 2009 and shall remain in effect until March 31, 2010. Beginning April 1, 2010 and each April 1st thereafter, the Incremental State Assessment Surcharge will be calculated to recover projected assessment for the then current fiscal year and will be in effect for the twelve (12) month period, April 1st March 31st.
 - 35.3.2 The surcharge will be revised each October 1st to recover the Incremental State Assessment Reconciliation for the prior fiscal year over the remaining term of the State Fiscal Year. The Incremental Assessment Reconciliation is the difference between the Incremental Assessment Surcharge Recoveries for the State Fiscal Year and the actual Incremental State Assessment for the State Fiscal Year.

Every statement shall be filed not less than fifteen (15) business days before the date on which the statement is proposed to be effective.

Issued By: Thomas B. King, President, Syracuse, New York