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PSC NO: 220 ELECTRICITY LEAF: 425 NIAGARA MOHAWK POWER CORPORATION REVISION: 2 INITIAL EFFECTIVE DATE: FEBRUARY 1, 2011 SUPERSEDING REVISION: 0

STAMPS: Issued in Compliance with Order of the PSC in Case No. 10-E-0050 Issued January 24, 2011

SERVICE CLASSIFICATION NO. 7 (Continued)

All SERVICE CLASSIFICATION NUMBERS:

Electricity Supply Service:

Company Supplied Electricity Supply Service Charges, per kWh:

All SC-7 parent class SC-3A and SC-7 parent class SC-3 (otherwise subject to SC-3, Special Provision L) demand metered customers who are required to install an interval-meter will be billed for commodity service based on their actual hourly usage and the hourly day-ahead market prices as described in Rule 46 herein. All SC-7 parent class SC-2D and SC-3 (otherwise not subject to SC-3, Special Provision L) customers may elect to be billed for commodity service based on their actual hourly usage and the hourly day-ahead market prices as described in Rule 46 herein. Such election shall be made by the customer in the Form G Application for Electric Standby Service. All other SC-7 customers will be billed for commodity services based on their actual monthly kWh usage and the applicable class load shaped thirty-day weighted average market price as provided in Rule 48.4.2.

Company supplied Electricity Supply Service charges shall be set according to the market price of electricity determined in accordance with Rule 46, Electricity Supply Cost.

Customers served under this Service Classification No. 7 are also eligible to participate in Rule No. 39 - Retail Access Program.

Wholesale Generators receiving Station Power service from the NYISO in accordance with Special Provision J shall receive Electricity Supply Service from the NYISO and shall be exempt from Electricity Supply Service charges under Rule 46.

SURCHARGES AND ADJUSTMENTS

Customers served under this Service Classification No. 7 shall be subject to the following surcharges and adjustments:

- Rule 41 System Benefits Charges
- Rule 43 Transmission Revenue Adjustment
- Rule 42 Merchant Function Charge
- Rule 49 Renewable Portfolio Surcharge
- Rule 56 Incremental State Assessment Surcharge
- Rule 57 Revenue Decoupling Mechanism

MINIMUM CHARGE:

Customers served under this Service Classification No. 7 shall be subject to a minimum Charge which shall be the Customer Charge, the Incremental Customer Charge (where applicable), the Standby Contract Demand Charge and the Competitive Transition Charge.