

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: SEPTEMBER 1, 2010

LEAF: 402
REVISION: 1
SUPERSEDING REVISION: 0

SERVICE CLASSIFICATION NO. 4 (Continued)

- (ii) The customer's metered demands for Niagara Power Delivery Service associated with Existing and Additional Allocations of Expansion Power and Existing Allocations of Replacement Power Rate 1 shall be adjusted for losses from the customer's meter to the Niagara Switchyard as provided for the allocation(s) in question in the Company's Rate Schedule FERC Nos. 19 (for Replacement Power Rate 1) and 159 (for Expansion Power) to produce the final billing demands and billing energy for such service.
- d. Adjustments for Losses In Transmission For New Allocations of Expansion Power and Replacement Power Rate 1.
 - (i) The customer's contract demand for New Allocations of Expansion Power and Replacement Power Rate 1 shall be adjusted for losses from the Niagara Switchyard to the customer's meter as provided in Rule 39.18 of this Tariff; and
 - (ii) The customer's metered demands for Niagara Power Delivery Service associated with New Allocations of Expansion Power and Replacement Power Rate 1 shall be adjusted for losses from the customer's meter to the Niagara Switchyard as provided in Rule 39.18 of this Tariff, provided however that the adjustment for Unaccounted for Energy shall be performed as set out in subparts (iii) and (iv) below and not as stated in Rule 39.18.
 - (iii) For each of the Company's subzones in which NYPA power is delivered to customers under this Rate Schedule S.C. No. 4, the Company will calculate an Unaccounted for Energy Factor for NYPA load. Unaccounted for Energy is generally defined as the difference between the NYISO reported wholesale subzone(s) load and the sum of LSE load, Municipality load, Load Modifiers, NYPA load and the Company's load, including adjustments for distribution losses (efficiency factor). The Company also adjusts applicable LSE's load to account for the average system wide Unaccounted for Energy in accordance with Rule 39.
 - (iv) The difference between the monthly NYISO reported wholesale subzone load and the sum of the applicable subzone load of the Company, NYPA, Municipalities, and the Rule 39 adjusted LSE's load, including adjustments for distribution losses (efficiency factor), is the monthly subzone Unaccounted for Energy. This quantity of monthly subzone Unaccounted for Energy in question is allocated to the Company and NYPA on an hourly based subzonal load ratio share. The Company will report to the NYISO for NYISO billing and settlement purposes, the NYPA subzone load requirements, inclusive of the monthly subzone Unaccounted for Energy adjustment and distribution loss adjustments.

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