PSC NO: 220 ELECTRICITY NIAGARA MOHAWK POWER CORPORATION INITIAL EFFECTIVE DATE: SEPTEMBER 19, 2011

SERVICE CLASSIFICATION NO. 12 (Continued)

5. <u>STANDARDIZED DISCOUNT RATES (Continued)</u>

5.3.3 Growth: Business Attraction

5.3.3.1 Program 1: Where the Company determines that customer has satisfied the requirements of this Service Classification No. 12, a Qualifying Customer that is also a Manufacturing Customer or Service Sector Customer as defined in Sections 3.3 and 3.5 respectively, other than those Energy Intensive Manufacturing Customers identified in Program 2 below, will be eligible for 5 years of discounts as applied to its Contestable Loads as provided below:

Effective January 1, 2012, the discount percentage applied to the otherwise applicable standard tariff demand charge per kW is as follows:

Year	All Eligible Classes
1	20%
2	20%
3	15%
4	15%
5	10%

For customers receiving discounts under this section 5.3.3.1 as of the effective date of this Tariff Leaf, the following discount percentage shall be applied to customer's C.T.C per kWh through December 31, 2011:

Year	All Eligible Classes
2011	5%

5.3.3.2 **Program 2**: Where the Company determines that customer has satisfied the requirements of this Service Classification No. 12, qualifying Energy Intensive Manufacturing Customers will be eligible for 5 years of discounts as applied to its Contestable Loads as provided below:

Effective January 1, 2012, the discount percentage applied to the otherwise applicable standard tariff demand charge per kW is as follows:

Year	All Eligible Classes
1	25%
2	25%
3	20%
4	20%
5	15%

For customers receiving discounts under this section 5.3.3.2 as of the effective date of this Tariff Leaf, the following discount percentage shall be applied to customer's C.T.C per kWh through December 31, 2011:

Year	All Eligible Classes
2011	20%