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PSC NO: 220 ELECTRICITY NIAGARA MOHAWK POWER CORPORATION INITIAL EFFECTIVE DATE: JANUARY 1, 2012 LEAF: 297 REVISION: 1 SUPERSEDING REVISION: 0

FORM I CUSTOMER SERVICE AGREEMENT FOR SERVICE CLASSIFICATION NO. 12 (Continued)

4. (b) THE ELECTRICITY SUPPLY COST CHARGE (Applicable to SC-3, Special Provision L Customers). This includes customers who meet the size requirement for Special provision L during the life of this contract.

For each Billing Period during the term of this Agreement, the Charge for Electricity Supply Service furnished by the Company to the Customer shall be determined by multiplying the Electricity Supply Cost charge in each interval by the kWh of Electricity Supply Service furnished by the Company to the Customer during each interval of the Billing Period. The Electricity Supply Cost charge shall be determined using the following formula:

Electricity Supply Cost Charge = \sum (kWh_i * ESC_{LZ,V,i})

Where:

kWh_i = The kWh of Electricity Supply Service sold by the Company to the Customer in interval i.
 ESC_{LZ,V,i} = The Electricity Supply Cost of Electric Energy for the customer's Load Zone and voltage level expressed in \$0.00000/kWh in interval i. The Electricity Supply Cost shall be determined by Rule 46.1Electricity Supply Cost, of the Tariff.
 LA = The load zone (as defined in the Tariff) in which the customer takes Electricity Supply Service.
 V = The voltage delivery level (as defined in the Tariff) at which the Customer receives Electricity Supply Service.
 I = Hourly interval period in the Billing Period (i=1...672, 696, 720 or 744 hours).

In the event the Customer does choose an alternate electric supplier: (a) the Customer shall avoid the Electricity Supply Cost Charge for the amount of Electricity Supply Service not purchased from the Company; and (b) the Customer shall be eligible for the Customer Service Credit according to the provisions of Rule 42 of the Tariff, or its successor.