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PSC NO: 219 GAS

NIAGARA MOHAWK POWER CORPORATION

INITIAL EFFECTIVE DATE: 10/1/08

LEAF: 122.2

REVISION: 1

SUPERSEDING REVISION:

STAMPS: Issued in Compliance with Order of PSC in Case 08-G-0609 dated 09/18/08.

GENERAL INFORMATION

31. **SYSTEM BENEFITS CHARGE**: (continued)

31.2.1.1 Interim Lost Revenue will be calculated monthly for all energy efficiency measures installed under the Interim Energy Efficiency Programs. A measure shall be deemed "installed" for the purposes of calculating Interim Lost Revenue for the month if the measure was actually installed prior to the first day of the month. For each installed energy efficiency measure, the Interim Lost Revenue will be the product of the stipulated energy savings for each installed measure set forth in Table 1 of "Appendix B" and the stipulated rate set forth in Table 2 of "Appendix B" of the Company's Interim Energy Efficiency Joint Proposal filed on August 1, 2008 in Case 08-G-0609.

31.2.2 SBC Calculation

The Company will calculate the SBC by dividing the allowable program costs for the October through September time period plus carrying charges and allowable Interim Lost Revenue in accordance with Rule 31.2.1 above, plus over- or under-recoveries from the prior period, if any, of all efficiency programs in this Rule 31.2 for the upcoming program period by the projected weather normalized delivery volumes for Service Classification Nos. 1, 2 and 7, for the same time period.

The effective rate shall be set forth on a statement and filed with the Public Service Commission apart from this rate schedule not less than three (3) days prior to the date on which the statement is proposed to be effective.

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