

PSC NO: 219 GAS

LEAF: 122.1

NIAGARA MOHAWK POWER CORPORATION

REVISION: 2

INITIAL EFFECTIVE DATE: 10/1/08

SUPERSEDING REVISION: 1

STAMPS: Issued in Compliance with Order of PSC in Case 07-M-0548 dated 06/23/08.

**GENERAL INFORMATION****31. SYSTEM BENEFITS CHARGE:**

For the period October 1, 2008 through December 31, 2008, and for calendar year periods beginning January 1, 2009 through December 31, 2011, a System Benefits Charge (SBC), applicable to Service Classification No. 1 - Residential, will recover costs associated with the energy efficiency program authorized by the Public Service Commission's June 23, 2008 Order in Case 07-M-0548. Any over/under collections will be included in the development of the rate for the next time period.

The Company will calculate this rate by dividing the annual costs of \$1,959,811 (\$489,953 for October 1, 2008 through December 31, 2008), plus over- or under-recoveries from the prior period, if any, of all efficiency programs for the upcoming program period by the projected weather normalized delivery volumes for Service Classification No. 1 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