

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 08/01/03

LEAF: 109
REVISION: 0
SUPERSEDING REVISION:

GENERAL INFORMATION

24. ECONOMIC REVITALIZATION INCENTIVE RIDER FOR S.C. 3 LARGE GENERAL SERVICE, S.C. 5 FIRM TRANSPORTATION SERVICE OR S.C. 8 TRANSPORTATION SERVICE WITH STANDBY SALES SERVICE: (continued)

- 24.3.2 The customer must develop and present for Company approval a detailed revitalization plan which, if fully implemented, would return the facility to profitability within five years. The revitalization plan must include, but not be limited to, the following items:
 - 24.3.2.1 A summary of the customer's current business position within the customer's industry which assesses its strengths and weaknesses.
 - 24.3.2.2 A listing of the customer's prime competitors, and assessment of their relative strengths and weaknesses.
 - 24.3.2.3 Details indicating the applicant's management and ownership structure(s).
 - 24.3.2.4 An outline of reductions in business costs and increases in operating efficiencies. The outline may include, but not be limited to, the following items:
 - 24.3.2.4.1 Renegotiations with raw material, subcomponent and/or service suppliers;
 - 24.3.2.4.2 A plan developed jointly by labor and management that addresses the issues of unit product cost reductions and productivity;
 - 24.3.2.4.3 Local and/or state concessions on taxes;
 - 24.3.2.4.4 Discontinuance of non-profitable products and development of new products;
 - 24.3.2.4.5 Cash flow improvement;
 - 24.3.2.4.6 Restructuring of short and long term debt;
 - 24.3.2.4.7 Capital savings through low cost loans;
 - 24.3.2.4.8 Increased operating efficiencies through:
 - 24.3.2.4.8.1 Improved process technologies;
 - 24.3.2.4.8.2 An employee retraining plan; and
 - 24.3.2.4.8.3 Reduced energy usage.

Issued By: William F. Edwards, President, Syracuse, New York