

PSC NO. 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: NOVEMBER 1, 2017  
STAMPS: Issued in Compliance with Order Issued September 14, 2017 in Case 15-E-0751 and 15-E-0082

LEAF NO. 220.11  
REVISION: 0  
SUPERSEDING REVISION:

#### GENERAL INFORMATION

#### 40. VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)

##### 40.3.2.6 LSRV Cost Recovery

40.3.2.6.1 The LSRV Component costs to be recovered will be the sum of all VDER Value Stack LSRV Components paid to projects and satellites, where applicable, during the recovery month.

40.3.2.6.2 The LSRV Component costs will be recovered from all delivery customers by service class and voltage delivery level, with the LSRV Component costs that were provided to sub-transmission and transmission voltage delivery projects and satellites, where applicable, being allocated using the most recent transmission demand allocator from the Company's most current ECOS, and the LSRV Component costs that were provided to primary and secondary voltage delivery projects and satellites, where applicable, being allocated using the most recent distribution demand allocator from the Company's most current ECOS.

40.3.2.6.3 The LSRV Component costs will be recovered on a per kWh basis for non-demand customers and a per kW basis for demand customers.

##### 40.3.2.7 MTC Cost Recovery

40.3.2.7.1 The MTC Component costs to be recovered will be the sum of all VDER Value Stack MTC Components paid to projects and satellites, where applicable, during the recovery month.

40.3.2.7.2 The MTC Component costs will be recovered from all delivery customers, with respective costs allocated to the service classes of the projects and satellites, where applicable, who receive the MTC Component credits, in proportion to the credits projects and satellites, where applicable, of each service class receive.

40.3.2.7.3 The MTC Component costs will be recovered on a per kWh basis for non-demand customers.

40.3.3 The costs in 40.3.2 will be charged to applicable customers monthly on a two-month lag basis and will be included in the delivery charge line item on customers' bills, with the exception of the Environmental Market Value Cost Recovery which will be recovered as specified in 40.3.2.3.

40.3.4 An annual reconciliation will be performed for each component of the VDER Value Stack Cost Recovery at the end of each calendar year, commencing with calendar year 2018. Any over/under collections as a result of this reconciliation will be reflected in the VDER Value Stack Cost Recovery on a two-month lag basis after the annual reconciliation.

40.3.5 The VDER Value Stack Cost Recovery will be shown on statements filed with the Public Service Commission apart from this rate schedule not less than three (3) days before their respective effective dates.