

PSC NO: 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: APRIL 1, 2018  
 STAMPS: Issued in Compliance with Order in Case 17-E-0238 Issued March 15, 2018.

LEAF: 235  
 REVISION: 9  
 SUPERSEDING REVISION: 8

#### GENERAL INFORMATION

#### 49 Earnings Adjustment Mechanism

49.1 The Earnings Adjustment Mechanism ("EAM") allows the Company to recover earned EAM incentives for calendar year 2017 and calendar year 2018 commencing over the twelve months period beginning April 1, 2019 and annually each year thereafter.

49.2 The Company will allocate the earned incentive to the following service classes: SC1, SC1C, SC2ND, SC2D, SC3, SC3A, SC4, SC7, SC 12, in accordance with each SC-12 customer's specific contract, and all service classes of PSC No. 214. The Company will allocate:

(i) the Peak Reduction EAM based on the most recent transmission demand allocator i.e., single coincident peak) from the Company's most current ECOS per Rule 43.6, the

(ii) Incremental Energy Efficiency, the Residential and Commercial Energy Intensity, and the LED Streetlight EAMs using the most recent energy allocator form the Company's most current ECOS, and

##### Energy Allocators:

Residential	33.13%
Residential TOU	0.85%
Small Gen No Dem	1.84%
Small Gen Demand	12.70%
Large Gen-Sec	13.26%
Large Gen-Pri	5.90%
Large Gen-Tran	2.02%
Large Gen TOU-S/P	3.64%
Large Gen TOU-SubT	4.84%
Large Gen TOU-Tran	21.28%
Lighting	0.54%

(iii) the Distributed Energy Resources Utilization, Interconnection, and the Environmentally Beneficial Electrification EAMs using the transmission demand (Rule 43.6), Non-Coincident Peak at Primary Voltage (Rule 45.2.3) from the Company's most current ECOS, and Energy allocators (Rule 49.2 (ii)), each with equal weight.

The EAM surcharge will also be applicable to NYPA load.

49.2.1 Empire Zone qualifying load and Excelsior Jobs Program qualifying load will not be subject to the EAM.

49.3 The EAM will be collected from customers on a kW basis for demand billed customers and a per kWh basis for non-demand billed customers.

49.3.1 The EAM surcharge shall be calculated by dividing the earned incentive for each service classification as determined in Rule 49.2 above by the forecast sales or demand for that service classification.

49.3.2 The EAM surcharge collected from customers will be subject to an annual reconciliation for any over or under collections from the previous year and at the end of the contract term if less than an annual period. The EAM reconciliation over or under collections will be credited or surcharged to customers, which will include interest at the Company's pre-tax WACC.

Cancelled by 11 Rev. Leaf No. 235 Effective 02/01/2022