

PSC NO: 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: JULY 16, 2012

LEAF: 229  
REVISION: 6  
SUPERSEDING REVISION: 5

#### GENERAL INFORMATION

#### 46. SUPPLY SERVICE CHARGES (Continued)

46.1.3.3 For each hour, the forecasted cost, in \$/kWh, of NYISO charges under all applicable OATT schedules; plus

46.1.3.4 For each hour, the forecasted NYISO NYPA Transmission Adjustment Charge (NTAC) rate, in \$/kWh.

46.1.3.5 The sum of each item shall be adjusted by the Local Transmission Efficiency Factors set forth in Rule 39.18.1.1 for the applicable distribution delivery voltage level and by the Average Unaccounted for Energy Factor set forth in Rule 39.18.1.2 plus any applicable taxes.

46.1.3.6 Any billing adjustment from the NYISO may be flowed through this Rule 46 based on the tariff rules in effect on the date service was rendered.

46.1.3.7 Effective May 1, 2012, a customer-specific peak load demand charge shall be calculated based on the customer's unique Capacity Tag assigned for the duration of each NYISO Capability Year and on the forecasted NYISO Capacity Spot Market price, and shall be assessed in each monthly billing period.

46.2 Legacy Transition Charge ("LTC"): Apart from the exceptions listed in Rule 46.2.4, the LTC is applicable to all delivery customers. The costs and benefits associated with the net market value of purchased power contracts executed prior to June 1, 2001, except for the one contract listed in Rule 46.2.7, shall be calculated as follows:

46.2.1 The net market value of each Legacy Contract is defined as the monthly contract cost less the market value of the generation.

46.2.2 The LTC shall be calculated monthly and shall be based upon the sum of the monthly forecasted contract costs and forecasted market values of all of the Legacy Contracts plus any reconciliation balance from two months prior determined pursuant to Rule 46.2.3. The market value of the generation associated with Legacy Contracts will be determined based on the forecasted monthly market prices as set forth in 46.1.1. The LTC shall be calculated as the amount so determined divided by the forecasted kWh sales for the applicable month of all delivery service customers pursuant to Rule 46.2.4 below.

46.2.3 The LTC shall be subject to reconciliation in which the actual net market value shall be calculated and compared to the actual revenue billed by the LTC for the respective month. Any reconciliation balance, whether positive or negative, shall be included in the LTC in effect two months later.

Issued by Kenneth D. Daly, President, Syracuse, NY