

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 06/01/12
STAMPS:

LEAF: 90.1
REVISION: 0
SUPERSEDING REVISION:

GENERAL INFORMATION

17. ADJUSTMENT OF RATES IN ACCORDANCE WITH CHANGES IN THE COST OF PURCHASED GAS: (continued)

17.1.4 Effective September 1, 2013

- 17.1.4.1 The upper limit of the LAUF dead band ("Dead Band Upper Limit") is set at 2.261%.
- 17.1.4.2 The lower limit of the LAUF dead band ("Dead Band Lower Limit") is set at 1.420%.
- 17.1.4.3 System Losses are calculated as total metered city gate receipts less total metered system deliveries for the 12-months ending August 31, 2014 and each subsequent 12-month period thereafter.
- 17.1.4.4 Actual System LAUF is calculated as the ratio of System Losses to metered system deliveries for the 12-months ending August 31, 2014 and each subsequent 12-month period thereafter.
- 17.1.4.5 The Company will reconcile gas costs based on the actual system LAUF to gas costs based on the LAUF target for the 12-months ending August 31, 2014 and each subsequent 12-month period thereafter.
- 17.1.4.6 If actual system LAUF falls between the Dead Band Upper Limit and Dead Band Lower Limit, any difference in gas commodity cost based on the reconciliation of actual system LAUF and the LAUF target will be credited or surcharged to SC 1, 2, 3, 12 and 13 sales customers and the SC 1MB, 2MB, 12MB, 13MB, 5, 7 and 8 transportation customers via the System Performance Adjustment ("SPA") Mechanism.
- 17.1.4.7 If actual system LAUF falls above the Dead Band Upper Limit or below the Dead Band Lower Limit, any difference in gas commodity cost based on the reconciliation of actual system LAUF and the applicable LAUF dead band limit will be surcharged (if actual system LAUF exceeds the Dead Band Upper Limit) or credited (if actual system LAUF is less than the Dead Band Lower Limit) to SC 1, 2, 3, 12 and 13 sales customers and the SC 1MB, 2MB, 12MB, 13MB, 5, 7 and 8 transportation customers via the System Performance Adjustment ("SPA") Mechanism.
- 17.1.4.8 For the SC 1, 2, 3, 12 and 13 sales customers, the SPA Rate will be calculated as the reconciliation amount described in 17.1.4.6 or 17.1.4.7, as applicable, divided by the projected sales for these customers and will be set forth as a per therm credit or surcharge on the Statement of Monthly Cost of Gas for the 12-month period starting January 1st.

Issued By: Kenneth D. Daly, President, Syracuse, New York