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PSC NO: 219 GAS

NIAGARA MOHAWK POWER CORPORATION

REVISION: 3

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LEAF: 112

REVISION: 3

SUPERSEDING REVISION: 2

GENERAL INFORMATION

26. GAS NET REVENUE SHARING MECHANISM: (continued)

- 26.2 SC4 and 6 Delivery Service Revenue Sharing:
 - 26.2.1 Ninety percent (90%) of the difference between the Delivery Service Target for SC4 and SC6 as defined in Rule 26.1.1 prorated for the June 2012 March 2013 time period and the actual SC4 and SC6 delivery service revenues, will be flowed through as an increase or decrease to the Gas Delivery Service Rates of SC1, 2 and 3.
 - 26.2.2 Ninety percent (90%) of the difference between the Delivery Service Target for SC No. 6 as defined in Rule 26.1.2 and the actual SC 6 Delivery Service Revenues for each April through March time period thereafter, will be flowed through as an increase or decrease to the Gas Delivery Service Rates of SC 1, 2, 3, 5, 7, 8, 12, and 13
 - 26.2.3 The actual SC6 delivery service revenues shall exclude the delivery service revenues associated with any customer that becomes a SC 6 customer on or after April 1, 2013.
 - 26.2.4 For the purposes of these calculations, neither the Delivery Service Targets nor the actual Delivery Service Revenues will include the Incremental State Assessment Surcharge.
- 26.3 SC9 Delivery Service Revenue Sharing:
 - 26.3.1 One hundred percent (100%) of the difference between the Delivery Service Target for SC9 as defined in Rule 26.1.1 prorated for the June 2012 March 2013 time period and the actual SC9 delivery service revenues, as adjusted in paragraphs 26.3.3, 26.3.4, 26.3.5, and 26.3.6 below, will be flowed through as an increase or decrease to the Gas Delivery Service Rates of SC1, 2, and 3.
 - 26.3.2 Beginning April 1, 2013 and each year thereafter, one hundred percent (100%) of the difference between the Delivery Service Target for SC9 as defined in Rule 26.1.2 and the actual SC9 Delivery Service Revenues for each 12-month period ending April, as adjusted in paragraphs 26.3.3, 26.3.4, 26.3.5 and 26.3.6 below, will be flowed through as an increase or decrease to the Gas Delivery Service Rates of SC 1, 2, 3, 5, 7, 8, 12, and 13
 - 26.3.3 The actual SC9 delivery service revenues shall exclude the delivery service revenues associated with any existing firm customers who may transfer to SC9.
 - 26.3.4 If a SC9 customer should transfer to any firm or non-firm service classification, those delivery service revenues associated with those customers will be credited to SC9 delivery service revenues as if there were no transfer.

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