

PSC NO: 219 GAS  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: 08/01/03

LEAF: 113  
REVISION: 0  
SUPERSEDING REVISION:

## GENERAL INFORMATION

### 26. GAS NET REVENUE SHARING MECHANISM: (continued)

26.3.5 If Niagara Mohawk should renegotiate any contracts containing Imbalance Services associated with customer designations 1, 3, 7 and 16 as contained in its December 15, 1998 letter, from the Manager of Revenue and Cost Allocation, to the Records Access Officer of the Commission, recovery of any revenue shortfall shall be as follows: customer designated number 1 represents \$929,930, customer number 3 represents \$656,810, customer number 7 represents \$587,920 and customer 16 represents \$1,939,600 of the \$16,542,000 S.C. No. 9 target. The actual amount of revenue received from each renegotiated contract will be compared to the target revenue amounts above each year, the difference will be the revenue shortfall. If the total revenues from all S.C. No. 9 customers exceeds the target, no additional recovery will be allowed. If the total recovery from all S.C. No. 9 customers is below the target 50% of the shortfall related to renegotiated contracts, up to the target amount, shall be collected per Rule 26.3.1. Niagara Mohawk may petition the Commission for recovery of the remaining 50% shortfall related to renegotiated contracts by providing satisfactory evidence that the renegotiated contracts are in the ratepayers' interests. If approved, recovery of the remaining 50% would be recovered per Rule 26.3.1.

### 27. WEATHER NORMALIZATION ADJUSTMENT:

#### 27.1 Applicability:

- 27.1.1 The rates for gas service to all heating customers under Service Classification Nos. 1, 2, 3, 5 and 7 shall be subject to a Weather Normalization Adjustment to reflect the impact of heating degree day variations from average 30 year normal levels, as determined on a revenue month basis, for the months of October through May inclusive.
- 27.1.2 The Weather Normalization Adjustment will only be billed if the actual heating degree days for the billing cycle are lower than 97.8 percent or higher than 102.2 percent of the normal heating degree days for the billing cycle.
- 27.1.3 The Weather Adjustment Factor will be applied to the customer's total consumption for the billing cycle. A new Weather Adjustment Factor will be calculated for each billing cycle. The monthly volume deviation shall be computed for each billing period for which adjustment is made using the formula described below.

#### 27.2 Definitions:

$$WAF = M * \frac{DDF [(NDD \pm 2.2\% NDD) - ADD]}{BL + (DDF * ADD)}$$

$$WNA R/S = (WAF) * (U)$$

#### 27.3 Where:

- 27.3.1 WAF = Weather adjustment factor

Issued By: William F. Edwards, President, Syracuse, New York