

PSC NO: 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: JUNE 1, 2017

LEAF: 263.2  
 REVISION: 13  
 SUPERSEDING REVISION: 12

## GENERAL INFORMATION

### 57. REVENUE DECOUPLING MECHANISM (“RDM”)

57.1 The Revenue Decoupling Mechanism reconciles actual billed delivery service revenues for the RDM reconciliation period to annual target revenues (“ATR”) for delivery service as approved in the Company’s most recent rate case for each Reconciliation Group subject to the RDM defined in Rule 57.1.1 and as adjusted by the delivery service revenue associated with exempt customers identified in Rule 57.1.2. RDM targets will be adjusted, as applicable, to exclude credits applied to customer accounts pursuant to Rule 26.14. The RDM reconciliation shall determine the difference between actual billed delivery service revenues and the ATR for any Reconciliation Group listed in Rule 57.1.1 in each annual RDM reconciliation period and forms the basis of the RDM adjustment for that Reconciliation Group.

57.1.1 Delivery service revenue shall be defined as charges associated with distribution and transmission rates (customer, demand, reactive, and energy charges) applicable to retail delivery service customers subject to this RDM. For the first month after a delivery service rate change, the “billed delivery service revenues” will be defined as the product of actual sales and rate year rates. The RDM reconciliation shall be performed for the following Reconciliation Groups:

1. SC-1, SC1-C
2. SC-2 Non Demand
3. SC-2 Demand
4. SC-3
5. SC-3A
6. Street Lighting (PSC 214)

\* Customers served under SC4, SC7, and SC12 customers whose contracts provide exclusively for an alternative billing methodology, will be included in the RDM of their parent service classification.

57.1.2 Exempt/excluded from the RDM are the following:

57.1.2.1 SC-12 customers whose contracts do not provide exclusively for an alternative billing methodology for a NYPA allocation; therefore the ATR and billed delivery service revenue shall be excluded from the RDM,

57.1.2.2 Empire Zone Rider (“EZR”) and Excelsior Jobs Program (“EJP”) customers shall not be subject to an RDM charge or credit on the EZR/EJP portion of their loads.