

PSC NO: 219 GAS  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: 04/01/18

LEAF: 122.2  
REVISION: 12  
SUPERSEDING REVISION: 11

STAMPS: Issued in compliance with order in Case No. 17-G-0239 dated March 15, 2018.

## GENERAL INFORMATION

### 32. REVENUE DECOUPLING MECHANISM:

- 32.1 Commencing with the 12-month period beginning April 1, 2018 and each subsequent 12-month period beginning April 1<sup>st</sup> thereafter, Service Classifications Nos. 1, 2, and 7 will be subject to an RDM to reconcile actual delivery service revenues to allowed delivered service revenues.
- 32.1.1 Actual Delivery Service Revenues (inclusive of Deferral Surcredits in Rule 41) are defined as revenues from delivery rates adjusted for the Weather Normalization Adjustment, excluding Gross Receipts Taxes, Merchant Function Charge Revenue, Net Revenue Sharing Surcharge/Credit Revenue, Research and Development Surcharge Revenue, Empire Zone Rider discounts, Excelsior Jobs Program revenue, System Benefits Charge Revenues, discounts and customer charges associated with the Low Income Program, , System Performance Adjustment, Gas Safety and Reliability Surcharge, Earnings Adjustment Mechanism and all other applicable credits and surcharges.
- 32.1.2 Allowed Delivery Service Revenues (inclusive of Deferral Surcredits in Rule 41) will be developed using revenue per customer ("RPC") targets, which are based upon the annual customer and volume forecast underlying the rates adopted in Case 17-G-0239. The Revenue Decoupling Mechanism shall contain RPC Targets for 6 Groupings:
1. SC 1 Residential Non-Heat
  2. SC 1 Residential Heat
  3. SC 2 Residential
  4. SC 2 Commercial
  5. SC 2 Industrial
  6. SC 7 Small Volume Firm Transportation