

PSC NO: 219 GAS
 NIAGARA MOHAWK POWER CORPORATION
 INITIAL EFFECTIVE DATE: 04/01/13
 STAMPS: Issued in compliance with order in Case No. 12-G-0202 dated March 15, 2013

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GENERAL INFORMATION

26. GAS NET REVENUE SHARING MECHANISM: (continued)

26.3.4 Actual SC Nos. 9 and 14 delivery service revenues shall be credited the actual delivery service revenues of any customer who is an SC Nos. 9 or 14 customer as of March 31, 2013 that rate switches to any other firm or non-firm service classification on or after April 1, 2013 as if there were no rate switch. There will be no adjustment for SC Nos. 9 and 14 customers that rate switch between these two service classifications.

26.3.5 Niagara Mohawk will be entitled to retain delivery service revenues from SC No 9 contracts at locations that have no preexisting facilities or whose facilities are not adequately sized to accommodate the new demand. Delivery service revenues retained by the Company must be incremental to those that may be obtained from existing gas equipment, provided that service to such new locations require investments by the Company in excess of those required for service lines, regulation and metering. If construction of a main extension is required, and such extension is off a main installed to serve an existing or past SC No. 9 customer, a portion of the delivery service revenues generated by the new contract will be shared with ratepayers. The allocation between Niagara Mohawk and ratepayers shall be established using principles consistent with the Commission's gas main extension policy.

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 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:

$$WAF = M * \frac{DDF * (NDD - ADD)}{BL + (DDF * ADD)}$$

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

27.3 Where:

27.3.1 WAF = Weather adjustment factor

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