SERVICE CLASSIFICATION NO. 13 (Cont'd)

LARGE POWER SUBSTATION AND TRANSMISSION SERVICE (Cont'd)

SPECIAL PROVISIONS (Cont'd)

13.9 HOURLY PRICING PROVISION (Cont'd)

(D) Allowances for working capital costs and bad debts equal to the average per kWh rate for these charges as otherwise included in the Market Price Charge (MPC)

For each billing period, the customer's total energy supply cost will be calculated as the sum of: (1) the hourly DAM multiplied by the customer's hourly measured loads, as adjusted by the Factor of Adjustment set forth in General Information Section 29, and (2) the HPP UCAP Charge per kWh multiplied by the customer's total measured load in kilowatthours.

On and after May 1, 2011, capacity charges will be recovered through a separate charge, HPP UCAP. Each customer's capacity charge will be calculated as the product of the customer's demand during the previous summer's NYCA peak hour, as adjusted pursuant to the NYCA peak load forecast for the corresponding capability period and NYISO UCAP requirements, and the monthly NYISO Spot Auction price for the capacity zone(s) from which the capacity is acquired pursuant to the requirements of the NYISO for the prior calendar month. The HPP UCAP will be stated in whole \$0.01 amounts per kilowatt and will be filed with the Public Service Commission on the Statement of Market Price Charge and Market Price Adjustment.

The HPP UCAP Charge will be renamed the HPP Charge and will continue to recover charges for energy balancing, ancillary services, allowances for working capital and bad debts according to the provisions provided above.

For each billing period, the customer's total energy supply cost will be calculated as the sum of: (1) the hourly DAM multiplied by the customer's hourly measured loads, as adjusted by the Factor of Adjustment set forth in General Information Section 29, (2) the customer's HPP UCAP, and (3) the HPP Charge per kWh multiplied by the customer's total measured load in kilowatthours.