

PSC NO: 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: SEPTEMBER 1, 2014

LEAF: 229.1  
REVISION: 5  
SUPERSEDING REVISION: 4

#### GENERAL INFORMATION

#### 46. SUPPLY SERVICE CHARGES (Continued)

46.2.4 The LTC shall not be assessed on qualifying EZR load or qualifying EJP load or any portion of a customer's power that is supplied by NYPA, including Replacement and Expansion, Power For Jobs, Economic Development Power, and High Load Factor Fitzpatrick Power.

46.2.5 The LTC shall be assessed on a volumetric basis to applicable customers in all service classifications as a line item on delivery bills and will include the NYPA Benefit applicable to Service Classification Nos. 1 and 1-C per Rule 46.2.6.

46.2.6 NYPA Hydropower Benefit Mechanism ("NYPA Benefit") - The benefits associated with the net market value of NYPA Rural & Domestic (R&D) power, the benefit of the monthly Residential Consumer Discount Program payment ("RCD payment") and the Residential Agricultural Discount ("RAD") Program under the New York Public Authorities Law §1005, Subdivision 13-b, are applicable to Service Classification Nos. 1 and 1-C only.

46.2.6.1 "NYPA R&D Contract" is defined as the contract for Niagara Peaking power.

46.2.6.2 The net market value of the NYPA R&D Contract is defined as the monthly contract cost less the market value of the generation.

46.2.6.3 The portion of the NYPA Benefit associated with the NYPA R&D Contract shall be calculated monthly as the sum of (1) the monthly forecasted contract cost minus the forecasted market value of the NYPA R&D Contract, and (2) any reconciliation balance from two months prior determined pursuant to Rule 46.2.6.4. The resulting factor shall be calculated as the amount so determined divided by the forecasted kWh sales for the applicable month of Service Classification Nos. 1 and 1-C customers. The forecasted market value of generation associated with the NYPA R&D Contract will be determined based on the forecasted monthly market prices as set forth in 46.1.1.

46.2.6.4 The portion of the NYPA Benefit associated with the NYPA R&D Contract shall be subject to reconciliation in which the actual net market value shall be calculated and compared to the actual revenue billed by the factor in Rule 46.2.6.3 for the applicable month. Any reconciliation balance, whether positive or negative, shall be included in the Rule 46.2.6.3 factor in effect two months later.

46.2.6.5 The portion of the NYPA Benefit associated with the RCD payment shall be calculated monthly as the sum of (1) the RCD payment scheduled for the applicable month, and (2) any reconciliation balance from two months prior, determined pursuant to Rule 46.2.6.6. The resulting factor shall be calculated as the amount so determined divided by the forecasted kWh sales for the applicable month of Service Classification Nos. 1 and 1-C customers.

Issued by Kenneth D. Daly, President, Syracuse, NY