

"Balance of the ESRM"
Rule 46.3.2 and Rule 46.3.3

Dollar Reconciliations					Cost Month October 2014	
1	Rule 46.3.3.1 Actual Electricity Supply Costs				\$ 57,599,774.69	
Actual Net Market Value (OMVC) of Self-Reconciling Mechanisms and Adjustments						
2	Actual OMVC of Legacy Hedges (excluding NYPA R&D Contracts)				\$ 2,684,834.70	
3	Actual OMVC of Nine Mile 2 RSA Agreement				\$ -	
4	Actual OMVC of NYPA R&D Contracts				\$ (672,332.12)	
5	Actual OMVC of New Hedges				\$ 3,134,703.00	
6	Subtotal				\$ 5,147,205.58	
7	Actual Market Cost of Electricity Supply (Line 1 minus Line 6)				\$ 52,452,569.11	
8	Rule 46.1 ESCost Revenue from All Commodity Customers				\$ 51,804,873.70	
9	Balance of the ESRM (Line 7 minus Line 8)				\$ 647,695.41	
Rule 46.3.2 Mass Market Adjustment						
	Service Classification	ISO Zone (Subzone#)	Forecast Commodity Rate	Actual Commodity Rate	Actual Hedged Sales Volumes (kWh)	Mass Market Adjustment
10	S.C. No. 1	A - West (1)	0.05845	0.05589	138,646,038	\$ (354,933.86)
11		B - Genesee (29)	0.05672	0.05194	43,560,065	\$ (208,217.11)
12		C - Central (2)	0.05804	0.05366	119,290,670	\$ (522,493.13)
13		D - North (31)	0.05484	0.04264	9,477,866	\$ (115,629.96)
14		E - Mohawk V (3)	0.05844	0.05317	87,029,091	\$ (458,643.31)
15		F - Capital (4)	0.05890	0.05491	197,293,271	\$ (787,200.15)
16	S.C. No. 2ND	A - West (1)	0.05903	0.05946	5,978,031	\$ 2,570.55
17		B - Genesee (29)	0.05721	0.05512	1,784,100	\$ (3,728.77)
18		C - Central (2)	0.05857	0.05690	4,977,437	\$ (8,312.32)
19		D - North (31)	0.05529	0.04573	420,790	\$ (4,022.75)
20		E - Mohawk V (3)	0.05896	0.05639	3,717,376	\$ (9,553.66)
21		F - Capital (4)	0.05945	0.05809	9,071,219	\$ (12,336.86)
22	Sum Lines 10 through Line 21				\$ (2,482,501.32)	
23	Rule 46.3.3 Supply Service Adjustment (Line 9 minus Line 22)				\$ 3,130,196.73	
24	'Balance of the ESRM' plus Sales Reconciliation, calculated for October 2014 Billing				\$ (7,000,480.18)	
25	'Balance of the ESRM' Billed in October 2014				\$ (6,496,307.99)	
26	Balance of the ESRM Sales Reconciliation for December 2014 billing (Line 24 minus Line 25)				\$ (504,172.19)	

Rate Calculations		Billing Month December 2014	
27	Forecast Total Commodity Sales for Billing Month (kWh)		1,154,708,098
28	Supply Service Adjustment factor for all Commodity Customers ((Line 23 / Line 27)		0.002711
29	Balance of the ESRM Reconciliation Factor (Line 26/ Line 27)		(0.000437)
Balance of the ESRM Rates (\$/kWh)			
30	Unhedged & MHP customers (Line 28 + Line 29)		0.002274

Balance of the ESRM Rates SC-1 and SC-2ND Customers(\$/kWh):

			Forecast Commodity	Balance of the ESRM			
			Sales for Billing Month	Mass Market Adjustment Factor	Supply Service Adj Factor	Reconciliation Factor	Balance of the ESRM rates (\$/kWh)
31	S.C. No. 1	A - West (1)	185,845,225	(0.001910)	0.002711	(0.000437)	0.000364
32		B - Genesee (29)	58,410,779	(0.003565)	0.002711	(0.000437)	(0.001291)
33		C - Central (2)	159,911,478	(0.003267)	0.002711	(0.000437)	(0.000993)
34		D - North (31)	12,687,587	(0.009114)	0.002711	(0.000437)	(0.006840)
35		E - Mohawk V (3)	116,661,966	(0.003931)	0.002711	(0.000437)	(0.001657)
36		F - Capital (4)	264,444,430	(0.002977)	0.002711	(0.000437)	(0.000703)
37	S.C. No. 2ND	A - West (1)	7,788,964	0.000330	0.002711	(0.000437)	0.002604
38		B - Genesee (29)	2,336,689	(0.001596)	0.002711	(0.000437)	0.000678
39		C - Central (2)	6,502,092	(0.001278)	0.002711	(0.000437)	0.000996
40		D - North (31)	541,841	(0.007424)	0.002711	(0.000437)	(0.005150)
41		E - Mohawk V (3)	4,842,704	(0.001973)	0.002711	(0.000437)	0.000301
42		F - Capital (4)	11,852,772	(0.001041)	0.002711	(0.000437)	0.001233
			831,826,528				

New Hedge Adjustment
Rule 46.3.1

All Zones

	<u>October 2014</u>	<u>December 2014</u>
1 Forecast Net Market Value (OMVC) of New Hedges		\$ -
2 Actual Net Market Value (OMVC) of New Hedges	\$ 3,134,703.00	
3 Prior New Hedge Adjustment reconciliation calculated for October 2014 Billing	<u>\$ 6,726,291.09</u>	
4 Intended Billing (Line 2 + Line 3)	\$ 9,860,994.09	
5 New Hedge Adjustment Billed Revenue	\$ 9,210,402.12	
6 Reconciliation of Billed Revenue (Line 4 - Line 5)		<u>\$ 650,591.97</u>
7 New Hedge Adjustment for December 2014 Billing (Line 1 + Line 6)		\$ 650,591.97
Rate Calculation		Billing Month December 2014
8 Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh)		831,826,527
9 New Hedge Adjustment (Line 7/ Line 8)		\$ 0.000782

Portfolio Zones A-E

	<u>October 2014</u>	<u>December 2014</u>
10 Forecast Net Market Value (OMVC) of New Hedges		\$ (2,418,480.16)
11 Actual Net Market Value (OMVC) of New Hedges	\$ -	
12 Prior New Hedge Adjustment reconciliation calculated for October 2014 Billing	<u>\$ -</u>	
13 Intended Billing (Line 11 + Line 12)	\$ -	
14 New Hedge Adjustment Billed Revenue	\$ -	
15 Reconciliation of Billed Revenue (Line 13 - Line 14)		<u>\$ -</u>
16 New Hedge Adjustment for November 2014 Billing (Line 10 + Line 15)		\$ (2,418,480.16)
Rate Calculation		Billing Month December 2014
17 Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh)		555,529,326
18 New Hedge Adjustment (Line 16/ Line 17)		\$ (0.004353)

Portfolio Zone F

	<u>October 2014</u>	<u>December 2014</u>
19 Forecast Net Market Value (OMVC) of New Hedges		\$ (339,691.84)
20 Actual Net Market Value (OMVC) of New Hedges	\$ -	
21 Prior New Hedge Adjustment reconciliation calculated for October 2014 Billing	<u>\$ -</u>	
22 Intended Billing (Line 20 + Line 21)	\$ -	
23 New Hedge Adjustment Billed Revenue	\$ -	
24 Reconciliation of Billed Revenue (Line 22 - Line 23)		<u>\$ -</u>
25 New Hedge Adjustment for Billing (Line 19 + Line 24)		\$ (339,691.84)
Rate Calculation		Billing Month December 2014
26 Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh)		276,297,202
27 New Hedge Adjustment (Line 25/ Line 26)		\$ (0.001229)

Legacy Transition Charge
Rule 46.2
(exclusive of the Rule 46.2.6 NYPA Benefit)

	<u>October 2014</u>	<u>December 2014</u>
1 Forecast Net Market Value (OMVC) of Legacy Hedges		\$ 2,630,530.86
2 Scheduled Nine Mile 2 RSA Credit		\$ -
3 Actual Net Market Value (OMVC) of Legacy Hedges	\$ 2,684,834.70	
4 Nine Mile 2 RSA Credit	\$ -	
5 Prior LTC reconciliation calculated for October 2014 Billing	\$ 1,614,206.10	
6 Intended Billing (Line 3 + Line 4 + Line 5)	\$ 4,299,040.80	
7 Legacy Transition Charge Billed Revenue	\$ 4,804,415.96	
8 Reconciliation of Billed Revenue (Line 6 - Line 7)		\$ (505,375.16)
9 Legacy Transition Charge for December 2014 Billing (Line 1 + Line 2 + Line 8)		\$ 2,125,155.70
<u>Rate Calculation</u>		<u>Billing Month</u> <u>December 2014</u>
10 Forecast Total Delivery Sales in Billing Month (kWh) *		2,528,149,719
11 Legacy Transition Charge (Line 9/ Line 10)		\$ 0.000841

* exclusive of NYPA Replacement & Expansion Power, High Load Factor Power, Preservation Power, Empire Zone Rider and Excelsior Jobs Program loads

NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: DECEMBER 1, 2014

STATEMENT TYPE: SC
WORKPAPER FOR STATEMENT NO. 36
Attachment 1
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Nine Mile 2 Revenue Sharing Agreement

Rule 46.2.7

Record of Quarterly Payments and Calculation of Interest on Deferred RSA Credits

* Billing Beginning RSA Collection Month Balance from Constellation			Credit of Prior	Credit One-Third	Interest Credited	TOTAL	Monthly	Balance for	Customer	Customer	Current Month	Ending	
			Month Interest	RSA Collection	In Advance	RSA CREDIT			Activity	Interest Calc			Deposit Rate
(A) (B)			(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	
Dec-11	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.60%	0.13%	\$0.00	\$0.00
Jan-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Feb-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Mar-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Apr-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
May-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Jun-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Jul-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Aug-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Sep-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Oct-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Nov-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Dec-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Jan-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
Feb-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
Mar-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
Apr-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
May-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
Jun-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
Jul-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
Aug-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
Sep-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
Oct-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
Nov-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
Dec-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
Jan-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.25%	0.10%	\$0.00	\$0.00
Feb-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.25%	0.10%	\$0.00	\$0.00
Mar-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,518,453.44	\$4,259,226.72	1.25%	0.10%	\$4,411.48	\$8,522,864.92	
Apr-14	\$8,522,864.92	\$0.00	(\$4,411.48)	(\$2,839,484.48)	\$0.00	(\$2,843,895.96)	(\$2,843,895.96)	\$7,100,916.94	1.25%	0.10%	\$7,354.75	\$5,686,323.71	
May-14	\$5,686,323.71	\$0.00	(\$7,354.75)	(\$2,839,484.48)	\$0.00	(\$2,846,839.23)	(\$2,846,839.23)	\$4,262,904.10	1.25%	0.10%	\$4,415.29	\$2,843,899.77	
Jun-14	\$2,843,899.77	\$9,887,451.47	(\$4,415.29)	(\$2,839,484.48)	\$0.00	(\$2,843,899.77)	\$7,043,551.70	\$6,365,675.62	1.25%	0.10%	\$6,593.22	\$9,894,044.69	
Jul-14	\$9,894,044.69	\$0.00	(\$6,593.22)	(\$3,295,817.16)	\$0.00	(\$3,302,410.38)	(\$3,302,410.38)	\$8,242,839.50	1.25%	0.10%	\$8,537.49	\$6,600,171.80	
Aug-14	\$6,600,171.80	\$0.00	(\$8,537.49)	(\$3,295,817.16)	\$0.00	(\$3,304,354.65)	(\$3,304,354.65)	\$4,947,994.48	1.25%	0.10%	\$5,124.87	\$3,300,942.02	
Sep-14	\$3,300,942.02	\$0.00	(\$5,124.86)	(\$3,295,817.16)	\$0.00	(\$3,300,942.02)	(\$3,300,942.02)	\$0.00	1.25%	0.10%	\$0.00	\$0.00	
Oct-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.25%	0.10%	\$0.00	\$0.00	
Nov-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.25%	0.10%	\$0.00	\$0.00	
Dec-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.25%	0.10%	\$0.00	\$0.00	

* If an RSA Collection is received during the billing month, it will be recorded on Attachment 1 of the next billing month's workpapers, which will revise the interest calculation.

NYPA Hydropower Benefit Mechanism ("NYPA Benefit")**Rule 46.2.6**

NYPA R&D CONTRACTS		
	October 2014	December 2014
1 Forecast Net Market Value (OMVC) of NYPA R&D Contracts		\$ (691,930.30)
2 Actual Net Market Value (OMVC) of NYPA R&D Contracts	\$ (672,332.12)	
3 Prior NYPA R&D reconciliation calculated for October 2014 Billing	\$ 283,815.68	
4 Intended Billing (Line 2 + Line 3)	\$ (388,516.44)	
5 NYPA Benefit (R&D Contracts) Billed Revenue	\$ (590,258.16)	
6 Reconciliation of Billed Revenue (Line 4 - Line 5)		\$ 201,741.72
7 NYPA Benefit (R&D Contracts) for December 2014 Billing (Line 1 + Line 6)		\$ (490,188.58)
Rate Calculation		Billing Month December 2014
8 Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh)		1,043,210,014
9 NYPA Benefit (R&D Contracts) rate (Line 7/ Line 8)		\$ (0.000470)

RECHARGE NY RESIDENTIAL CONSUMER DISCOUNT (RCD) PAYMENT		
	October 2014	December 2014
10 RCD Payment for upcoming billing month		\$ (2,146,233.33)
11 Actual RCD Payment Booked	\$ (2,146,233.33)	
12 Prior RCD Payment reconciliation calculated for October 2014 Billing	\$ (421,522.50)	
13 Intended Billing (Line 11 + Line 12)	\$ (2,567,755.83)	
14 NYPA Benefit (RCD) Billed Revenue	\$ (2,414,711.05)	
15 Reconciliation of NYPA RCD Billed Revenue (Line 13 - Line 14)		\$ (153,044.78)
16 Actual RAD payment Booked	\$ (276,933.33)	
17 NYPA Benefit (RAD) Billed Revenue	\$ (167,504.68)	
18 Reconciliation of Billed Revenue (Line 16 - Line 17)		\$ (109,428.65)
19 NYPA Benefit (RCD) for December 2014 Billing (Line 10 + Line 15+ Line 18)		\$ (2,408,706.76)
Rate Calculation		Billing Month December 2014
20 Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh)		1,043,210,014
21 NYPA Benefit (RCD) rate (Line 19/ Line 20)		\$ (0.002309)

RESIDENTIAL AGRICULTURAL DISCOUNT (RAD) PAYMENT		
		December 2014
22 NYPA RAD Payment for upcoming billing month		\$ (276,933.33)
Rate Calculation		Billing Month December 2014
23 Forecast SC-1 and SC-1C RAD Customers Sales in Billing month (kWh)		4,368,649
24 NYPA Benefit (RAD) rate (Line 22/ Line 23)		\$ (0.063391)