

NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: MARCH 31, 2014

STATEMENT TYPE: SC
WORKPAPER FOR STATEMENT NO. 28
Attachment 1
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"Balance of the ESRM"
Rule 46.3.2 and Rule 46.3.3

Dollar Reconciliations		Cost Month February 2014
1 Rule 46.3.3.1 Actual Electricity Supply Costs		\$ 111,890,384.22
Actual Net Market Value (OMVC) of Self-Reconciling Mechanisms and Adjustments		
2 Actual OMVC of Legacy Hedges (excluding NYPA R&D Contracts)		\$ (2,091,294.65)
3 Actual OMVC of Nine Mile 2 RSA Agreement		\$ (8,518,453.44)
4 Actual OMVC of NYPA R&D Contracts		\$ (1,525,138.00)
5 Actual OMVC of New Hedges		\$ (19,995,546.00)
6 Subtotal		\$ (32,130,432.09)
7 Actual Market Cost of Electricity Supply (Line 1 minus Line 6)		\$ 144,020,816.31
8 Rule 46.1 ESCost Revenue from All Commodity Customers		\$ 173,129,021.22
9 Balance of the ESRM (Line 7 minus Line 8)		\$ (29,108,204.91)
Rule 46.3.2 Mass Market Adjustment		
10 Forecast Commodity Rate (\$/kWh)	0.14019	
11 Actual Commodity Rate (\$/kWh)	0.12847	
12 Actual Hedged S.C. 1 & S.C. 2ND Sales Volumes (kWh)	900,858,815	
13 Mass Market Adjustment (Line 11 minus Line 10, multiplied by Line 12)		\$ (10,558,065.31)
14 Rule 46.3.3 Supply Service Adjustment (Line 9 minus Line 13)		\$ (18,550,139.60)
15 'Balance of the ESRM' plus Sales Reconciliation, calculated for February 2014 Billing		\$ 18,236,195.42
16 'Balance of the ESRM' Billed in February 2014		\$ 21,295,082.16
17 Balance of the ESRM Sales Reconciliation for April 2014 billing (Line 15 minus Line 16)		\$ (3,058,886.74)
ESRM adjustments related to methodology change *		
18 Mass Market adjustment related to ESRM Methodology Change (Attachment 2, Schedule 1)		\$ 556,364.25
19 Supply Service adjustment related to ESRM Methodology Change (Attachment 2, Schedule 1)		\$ 2,080,117.44
20 Total ESRM adjustment related to methodology change (Line 18 plus Line 19)		\$ 2,636,481.69
Rate Calculations		Billing Month April 2014
21 Forecast Total Commodity Sales for Billing Month (kWh)		1,026,613,828
22 Supply Service Adjustment factor for all Commodity Customers ((Line 14+Line 19)/ Line 21)		(0.016043)
23 Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh)		709,329,947
24 Mass Market Adjustment factor ((Line 13+Line 18)/ Line 23)		(0.014100)
25 Balance of the ESRM Reconciliation Factor (Line 17/ Line 21)		(0.002980)
Balance of the ESRM Rates (\$/kWh)		
26 Unhedged & MHP customers (Line 22 + Line 25)		(0.019023)
27 SC1 & SC2-ND Customers (Line 22 + Line 24 + Line 25)		(0.033123)

*equals 1/12th of one half of September 2013 supply costs shown in Attachment 2

New Hedge Adjustment
Rule 46.3.1

	<u>February 2014</u>	<u>April 2014</u>
1 Forecast Net Market Value (OMVC) of New Hedges		\$ (2,546,720.00)
2 Actual Net Market Value (OMVC) of New Hedges	\$(19,995,546.00)	
3 Prior New Hedge Adjustment reconciliation calculated for February 2014 Billing	<u>\$ (378,186.35)</u>	
4 Intended Billing (Line 2 + Line 3)	<u>\$(20,373,732.35)</u>	
5 New Hedge Adjustment Billed Revenue	\$(27,919,265.78)	
6 Reconciliation of Billed Revenue (Line 4 - Line 5)		<u>\$ 7,545,533.43</u>
7 New Hedge Adjustment for April 2014 Billing (Line 1 + Line 6)		\$ 4,998,813.43
<u>Rate Calculation</u>		<u>Billing Month April 2014</u>
8 Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh)		709,329,947
9 New Hedge Adjustment (Line 7/ Line 8)		\$ 0.007047

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

	<u>February 2014</u>	<u>April 2014</u>
1 Forecast Net Market Value (OMVC) of Legacy Hedges		\$ 4,587,583.06
2 Scheduled Nine Mile 2 RSA Credit		\$ (2,843,895.96)
3 Actual Net Market Value (OMVC) of Legacy Hedges	\$ (2,091,294.65)	
4 Nine Mile 2 RSA Credit	\$ -	
5 Prior LTC reconciliation calculated for February 2014 Billing	<u>\$ (953,843.87)</u>	
6 Intended Billing (Line 3 + Line 4 + Line 5)	\$ (3,045,138.52)	
7 Legacy Transition Charge Billed Revenue	\$ (5,379,311.95)	
8 Reconciliation of Billed Revenue (Line 6 - Line 7)		<u>\$ 2,334,173.43</u>
9 Legacy Transition Charge for April 2014 Billing (Line 1 + Line 2 + Line 8)		\$ 4,077,860.53
<u>Rate Calculation</u>		<u>Billing Month April 2014</u>
10 Forecast Total Delivery Sales in Billing Month (kWh) *		2,329,618,823
11 Legacy Transition Charge (Line 9/ Line 10)		\$ 0.001750

* exclusive of NYPA, Empire Zone Rider and Excelsior Jobs Program loads

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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 Month	Beginning Balance	* RSA Collection from Constellation	Credit of Prior Month Interest	Credit One-Third RSA Collection	Interest Credited In Advance	TOTAL RSA CREDIT	Monthly Activity	Balance for Interest Calc	Customer Deposit Rate (Annual)	Customer Deposit Rate (Monthly)	Current Month Earned Interest	Ending Balance
(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	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	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	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	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	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	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	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	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	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	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	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	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	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	0.35%	0.03%	\$0.00	\$0.00
Feb-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
Mar-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
Apr-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
May-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
Jun-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
Jul-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
Aug-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
Sep-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
Oct-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
Nov-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
Dec-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.35%	0.03%	\$0.00	\$0.00
Jan-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	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	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	\$0.00	(\$4,415.29)	(\$2,839,484.48)	\$0.00	(\$2,843,899.77)	(\$2,843,899.77)	\$0.00	1.25%	0.10%	\$0.00	\$0.00
Jul-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
Aug-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
Sep-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		February 2014	April 2014
1	Forecast Net Market Value (OMVC) of NYPA R&D Contracts		\$ (357,192.00)
2	Actual Net Market Value (OMVC) of NYPA R&D Contracts	\$ (1,525,138.00)	
3	Prior NYPA R&D reconciliation calculated for February 2014 Billing	\$ 167,571.69	
4	Intended Billing (Line 2 + Line 3)	\$ (1,357,566.31)	
5	NYPA Benefit (R&D Contracts) Billed Revenue	\$ (1,547,700.73)	
6	Reconciliation of Billed Revenue (Line 4 - Line 5)		\$ 190,134.42
7	NYPA Benefit (R&D Contracts) for April 2014 Billing (Line 1 + Line 6)		\$ (167,057.58)
Rate Calculation			Billing Month April 2014
8	Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh)		899,813,577
9	NYPA Benefit (R&D Contracts) rate (Line 7/ Line 8)		\$ (0.000186)

RECHARGE NY RESIDENTIAL CONSUMER DISCOUNT (RCD) PAYMENT		February 2014	April 2014
10	RCD Payment for upcoming billing month		\$ (3,461,667.00)
11	Actual RCD Payment Booked	\$ (3,461,667.00)	
12	Prior RCD Payment reconciliation calculated for February 2014 Billing	\$ 96,507.15	
13	Intended Billing (Line 11 + Line 12)	\$ (3,365,159.85)	
14	NYPA Benefit (RCD) Billed Revenue	\$ (3,512,639.93)	
15	Reconciliation of Billed Revenue (Line 13 - Line 14)		\$ 147,480.08
16	NYPA Benefit (RCD) for April 2014 Billing (Line 10 + Line 15)		\$ (3,314,186.92)
Rate Calculation			Billing Month April 2014
17	Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh)		899,813,577
18	NYPA Benefit (RCD) rate (Line 16/ Line 17)		\$ (0.003683)