

NIAGARA MOHAWK POWER CORPORATION
STATEMENT OF SUPPLY SERVICE CHARGES**FOR THE BILLING MONTH OF FEBRUARY 2014**

Applicable to Billings Under P.S.C. No. 220 Electricity

EFFECTIVE: JANUARY 30, 2014 FOR BATCH BILLINGS
EFFECTIVE: FEBRUARY 1, 2014 FOR CALENDAR MONTH BILLINGS

All rates are dollars/kWh unless stated otherwise

Commodity Rates**Rule 46.1.1 Electricity Supply Cost (ESCost)**

Service Classification	ISO Zone (Subzone #)	Region	Period	Billed Rate ESCost
S.C. No. 1	A - West (1)	Frontier	All Hours	0.11013
	B - Genesee (29)	Genesee	All Hours	0.10915
	C - Central (2)	Central	All Hours	0.11693
	D - North (31)	Adirondack	All Hours	0.10661
	E - Mohawk V (3)	Utica	All Hours	0.11932
	F - Capital (4)	Capital	All Hours	0.19136
S.C. No. 2ND	A - West (1)	Frontier	All Hours	0.11323
	B - Genesee (29)	Genesee	All Hours	0.11218
	C - Central (2)	Central	All Hours	0.12008
	D - North (31)	Adirondack	All Hours	0.10951
	E - Mohawk V (3)	Utica	All Hours	0.12251
	F - Capital (4)	Capital	All Hours	0.19537

Rule 46.3 Electricity Supply Reconciliation Mechanism (ESRM) - not applicable to NYPA-served load

Service Classification	Region	New Hedge Adjustment	Balance of the ESRM*	Billed Rate ESRM
S.C. No. 1	A - West (1)	Frontier	(0.033441)	(0.010315)
	B - Genesee (29)	Genesee	(0.033441)	(0.009285)
	C - Central (2)	Central	(0.033441)	(0.015495)
	D - North (31)	Adirondack	(0.033441)	(0.009645)
	E - Mohawk V (3)	Utica	(0.033441)	(0.016505)
	F - Capital (4)	Capital	(0.033441)	(0.037605)
S.C. No. 2ND	A - West (1)	Frontier	(0.033441)	(0.010724)
	B - Genesee (29)	Genesee	(0.033441)	(0.009634)
	C - Central (2)	Central	(0.033441)	(0.015934)
	D - North (31)	Adirondack	(0.033441)	(0.009934)
	E - Mohawk V (3)	Utica	(0.033441)	(0.016954)
	F - Capital (4)	Capital	(0.033441)	(0.038444)
S.C. Nos. 1C, 2ND Special Provision O, 2D, 3 and 3A	All Zones		0.013915	0.013915

Rule 46.1.3.7 Capacity Tag Charge Billing Rate

Service Classification	Zone	Billed Rate Capacity (\$/kW)
S.C. Nos. 2D Special Provision P (VHP), 3 Special Provision L (MHP) and Special Provision N (VHP), and 3A	All Zones	4.89248

Delivery Rates**Rule 46.2 Legacy Transition Charge - qualifying EZR and EJP load, and NYPA-served load other than "Recharge NY" load, are exempt.**

Service Classification	Rule 46.2.6 NYPA Benefit			Zone	Billed Rate LTC
	Rule 46.2 LTC	NYPA R&D Contracts	Recharge NY RCD Payment		
S.C. Nos. 1 & 1-C	(0.002295)	(0.001429)	(0.003070)	All Zones	(0.006794)
S.C. Nos. 2ND, 2D, 3 and 3A	(0.002295)			All Zones	(0.002295)

*Includes the ESRM balance shown on Attachment 1, page 1 and the Mass Market credit adjustment shown on Attachment 3, page 1

PLEASE NOTE: S.C. 4, S.C. 7 and S.C. 12 customers are subject to the rates of their parent service classification, with the exception of S.C. 7 commodity customers in S.C. 2ND, who are billed for ESCost under Rule 46.1.2, not Rule 46.1.1

Rates shown above are exclusive of gross receipts taxes.

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

Dated: January 28, 2014

NIAGARA MOHAWK POWER CORPORATION
STATEMENT OF SUPPLY SERVICE CHARGES**FOR THE BILLING MONTH OF FEBRUARY 2014**

Applicable to Billings Under P.S.C. No. 214 Outdoor Lighting

EFFECTIVE: JANUARY 30, 2014 FOR BATCH BILLINGS

EFFECTIVE: FEBRUARY 1, 2014 FOR CALENDAR MONTH BILLINGS

All rates are dollars/kWh

Commodity Rates**Rule 46.3 Electricity Supply Reconciliation Mechanism (ESRM)**

Service Classification	New Hedge Adjustment	Balance of the ESRM	Zone	<u>Billed Rate</u> <u>ESRM</u>
All Outdoor Lighting service classifications		0.013915	All Zones	0.013915

Delivery Rates**Rule 46.2 Legacy Transition Charge**

Service Classification	<u>Rule 46.2</u> LTC	<u>Rule 46.2.6 NYPA Benefit</u>		Zone	<u>Billed Rate</u>
		NYPA R&D Contracts	Recharge NY RCD Payment		<u>LTC</u>
All Outdoor Lighting service classifications	(0.002295)			All Zones	(0.002295)

Rates shown above are exclusive of gross receipts taxes.

Issued by: Kenneth D. Daly, President, Syracuse, New York
Dated: January 28, 2014

NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: JANUARY 30, 2014

STATEMENT TYPE: SC
WORKPAPER FOR STATEMENT NO. 26
Attachment 1
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"Balance of the ESRM"
Rule 46.3.2 and Rule 46.3.3

Dollar Reconciliations		Cost Month December 2013	
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1	Rule 46.3.3.1 Actual Electricity Supply Costs	\$	86,058,032.57
Actual Net Market Value (OMVC) of Self-Reconciling Mechanisms and Adjustments			
2	Actual OMVC of Legacy Hedges (excluding NYPA R&D Contracts)	\$	2,601,332.55
3	Actual OMVC of NYPA R&D Contracts	\$	(559,762.50)
4	Actual OMVC of New Hedges	\$	(5,596,902.00)
5	Subtotal	\$	(3,555,331.95)
6	Actual Market Cost of Electricity Supply (Line 1 minus Line 5)	\$	89,613,364.52
7	Rule 46.1 ESCost Revenue from All Commodity Customers	\$	74,372,041.44
8	Balance of the ESRM (Line 6 minus Line 7)	\$	15,241,323.08
Rule 46.3.2 Mass Market Adjustment			
9	Forecast Commodity Rate (\$/kWh)	0.06724	
10	Actual Commodity Rate (\$/kWh)	0.06852	
11	Actual Hedged S.C. 1 & S.C. 2ND Sales Volumes (kWh)	837,064,926	
12	Mass Market Adjustment (Line 10 minus Line 9, multiplied by Line 11)	\$	1,071,443.11
13	Rule 46.3.3 Supply Service Adjustment (Line 8 minus Line 12)	\$	14,169,879.97
14	'Balance of the ESRM' plus Sales Reconciliation, calculated for December 2013 Billing	\$	7,110,583.49
15	'Balance of the ESRM' Billed in December 2013	\$	6,752,192.84
16	Balance of the ESRM Sales Reconciliation for February 2014 billing (Line 14 minus Line 15)	\$	358,390.65
ESRM adjustments related to methodology change *			
17	Mass Market adjustment related to ESRM Methodology Change (Attachment 2, Schedule 1)	\$	556,364.25
18	Supply Service adjustment related to ESRM Methodology Change (Attachment 2, Schedule 1)	\$	2,080,117.44
19	Total ESRM adjustment related to methodology change (Line 17 plus Line 18)	\$	2,636,481.69
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Rate Calculations		Billing Month February 2014	
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20	Forecast Total Commodity Sales for Billing Month (kWh)	1,193,552,465	
21	Supply Service Adjustment factor for all Commodity Customers ((Line 13+Line 18)/ Line 20)	0.013615	
22	Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh)	861,974,980	
23	Mass Market Adjustment factor ((Line 12+Line 17)/ Line 22)	0.001888	
24	Balance of the ESRM Reconciliation Factor (Line 16/ Line 20)	0.000300	
Balance of the ESRM Rates (\$/kWh)			
25	Unhedged & MHP customers (Line 21 + Line 24)	0.013915	
26	SC1 & SC2-ND Customers (Line 21 + Line 23 + Line 24)	0.015803	

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

New Hedge Adjustment
Rule 46.3.1

	<u>December 2013</u>	<u>February 2014</u>
1 Forecast Net Market Value (OMVC) of New Hedges		\$(28,447,544.00)
2 Actual Net Market Value (OMVC) of New Hedges	\$ (5,596,902.00)	
3 Prior New Hedge Adjustment reconciliation calculated for December 2013 Billing	<u>\$ 441,593.30</u>	
4 Intended Billing (Line 2 + Line 3)	<u>\$ (5,155,308.70)</u>	
5 New Hedge Adjustment Billed Revenue	\$ (4,777,122.15)	
6 Reconciliation of Billed Revenue (Line 4 - Line 5)		<u>\$ (378,186.55)</u>
7 New Hedge Adjustment for February 2014 Billing (Line 1 + Line 6)		\$(28,825,730.55)
<u>Rate Calculation</u>		<u>Billing Month February 2014</u>
8 Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh)		861,974,980
9 New Hedge Adjustment (Line 7/ Line 8)		\$ (0.033441)

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

	<u>December 2013</u>	<u>February 2014</u>
1 Forecast Net Market Value (OMVC) of Legacy Hedges		\$ (4,983,806.97)
2 Scheduled Nine Mile 2 RSA Credit		\$ -
3 Actual Net Market Value (OMVC) of Legacy Hedges	\$ 2,601,332.55	
4 Nine Mile 2 RSA Credit	\$ -	
5 Prior LTC reconciliation calculated for December 2013 Billing	<u>\$ (928,143.52)</u>	
6 Intended Billing (Line 3 + Line 4 + Line 5)	\$ 1,673,189.03	
7 Legacy Transition Charge Billed Revenue ⁽¹⁾	\$ 2,627,032.90	
8 Reconciliation of Billed Revenue (Line 6 - Line 7)		<u>\$ (953,843.87)</u>
9 Legacy Transition Charge for February 2014 Billing (Line 1 + Line 2 + Line 8)		\$ (5,937,650.84)
<u>Rate Calculation</u>		<u>Billing Month</u> <u>February 2014</u>
10 Forecast Total Delivery Sales in Billing Month (kWh) *		2,587,354,983
11 Legacy Transition Charge (Line 9/ Line 10)		\$ (0.002295)

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

NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: JANUARY 30, 2014

STATEMENT TYPE: SC
WORKPAPER FOR STATEMENT NO. 26

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 Month	Beginning Balance	* RSA Collection from Constellation	Credit of Prior Month Interest	Credit One-Third RSA Collection	Interest Credited In Advance	TOTAL RSA CREDIT	Ending Balance Before Interest	Balance for Interest Calc	Customer Deposit Rate (Annual)	Customer Deposit Rate (Monthly)	Current Month Earned Interest	Ending Balance
(A)	(B)	(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		0.00%	\$0.00	\$0.00
Feb-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		0.00%	\$0.00	\$0.00
Mar-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		0.00%	\$0.00	\$0.00
Apr-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		0.00%	\$0.00	\$0.00
May-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		0.00%	\$0.00	\$0.00
Jun-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		0.00%	\$0.00	\$0.00
Jul-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		0.00%	\$0.00	\$0.00
Aug-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		0.00%	\$0.00	\$0.00
Sep-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		0.00%	\$0.00	\$0.00
Oct-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		0.00%	\$0.00	\$0.00
Nov-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		0.00%	\$0.00	\$0.00
Dec-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		0.00%	\$0.00	\$0.00
Jan-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		0.00%	\$0.00	\$0.00
Feb-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		0.00%	\$0.00	\$0.00
Mar-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		0.00%	\$0.00	\$0.00
Apr-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		0.00%	\$0.00	\$0.00
May-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		0.00%	\$0.00	\$0.00
Jun-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		0.00%	\$0.00	\$0.00
Jul-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		0.00%	\$0.00	\$0.00
Aug-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		0.00%	\$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		December 2013	February 2014
1	Forecast Net Market Value (OMVC) of NYPA R&D Contracts		\$ (1,733,923.32)
2	Actual Net Market Value (OMVC) of NYPA R&D Contracts	\$ (559,762.50)	
3	Prior NYPA R&D reconciliation calculated for December 2013 Billing	\$ (84,516.67)	
4	Intended Billing (Line 2 + Line 3)	\$ (644,279.17)	
5	NYPA Benefit (R&D Contracts) Billed Revenue	\$ (811,850.86)	
6	Reconciliation of Billed Revenue (Line 4 - Line 5)		\$ 167,571.69
7	NYPA Benefit (R&D Contracts) for February 2014 Billing (Line 1 + Line 6)		\$ (1,566,351.63)
Rate Calculation			Billing Month February 2014
8	Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh)		1,096,202,490
9	NYPA Benefit (R&D Contracts) rate (Line 7/ Line 8)		\$ (0.001429)

RECHARGE NY RESIDENTIAL CONSUMER DISCOUNT (RCD) PAYMENT		December 2013	February 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 December 2013 Billing	\$ (335,493.64)	
13	Intended Billing (Line 11 + Line 12)	\$ (3,797,160.64)	
14	NYPA Benefit (RCD) Billed Revenue	\$ (3,893,667.79)	
15	Reconciliation of Billed Revenue (Line 13 - Line 14)		\$ 96,507.15
16	NYPA Benefit (RCD) for February 2014 Billing (Line 10 + Line 15)		\$ (3,365,159.85)
Rate Calculation			Billing Month February 2014
17	Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh)		1,096,202,490
18	NYPA Benefit (RCD) rate (Line 16/ Line 17)		\$ (0.003070)