

"Balance of the ESRM"
Rule 46.3.2 and Rule 46.3.3

Dollar Reconciliations

Actual Electricity Supply Costs in calendar month of:	June 2013	\$	69,853,196.56
Actual Electricity Supply Costs in calendar month of:	July 2013	\$	100,534,528.51
1 Rule 46.3.3.1 Actual Electricity Supply Costs to be Reconciled	Half from Each Month	\$	85,193,862.54
Actual OMVC of Legacy Hedges (excluding NYPA R&D) in calendar month of:	June 2013	\$	6,306,436.93
Actual OMVC of NYPA R&D Contracts in calendar month of:	June 2013	\$	(980,720.29)
Actual OMVC of New Hedges in calendar month of:	June 2013	\$	(1,784,681.79)
2 Actual Net Market Value (OMVC) of Self-Reconciling Mechanisms and Adjustments	June 2013	\$	3,541,034.85
Actual OMVC of Legacy Hedges (excluding NYPA R&D Contracts) in calendar month of:	July 2013	\$	4,880,481.27
Actual OMVC of NYPA R&D Contracts in calendar month of:	July 2013	\$	(1,063,284.30)
Actual OMVC of New Hedges in calendar month of:	July 2013	\$	(7,237,024.00)
3 Actual Net Market Value (OMVC) of Self-Reconciling Mechanisms and Adjustments	July 2013	\$	(3,419,827.03)
4 Actual Net Market Value (OMVC) to subtract from Line 1	Half from Each Month	\$	60,603.91
5 Actual Market Cost of Electricity Supply to be Reconciled (Line 1 minus Line 4)		\$	85,133,258.63
6 Rule 46.1 ESCost Revenue from All Commodity Customers in revenue month of:	July 2013	\$	81,245,472.69
7 Balance of the ESRM (Line 5 minus Line 6)		\$	3,887,785.94
Rule 46.3.2 Mass Market Adjustment			
8 Actual Commodity Rate (\$/kWh) for calendar month of:	July 2013		0.07700
9 Forecast Commodity Rate (\$/kWh) for calendar month of:	July 2013		0.06930
10 Actual Commodity Rate (\$/kWh) for calendar month of:	June 2013		0.06154
11 S.C. 1 & S.C. 2ND Billed Commodity Sales (kWh) in revenue month of:	July 2013		849,582,900
12 Mass Market Adjustment: (Line 8 - Line 9)(Line 11) + (Line 10 - Line 8)[(1/2)(Line 11)]		\$	(25,487.49)
13 Rule 46.3.3 Supply Service Adjustment (Line 7 minus Line 12)		\$	3,913,273.43
14 'Balance of the ESRM' (Line 7) plus Sales Reconciliation (Line 16) calculated for July 2013 Billing		\$	1,250,676.80
15 'Balance of the ESRM' Billed in July 2013		\$	1,319,937.40
16 Balance of the ESRM Sales Reconciliation for September 2013 billing (Line 14 minus Line 15)		\$	(69,260.60)

Rate Calculations

**Billing Month
September 2013**

17 Forecast Total Commodity Sales for Billing Month (kWh)	1,125,711,280
18 Supply Service Adjustment factor for all Commodity Customers (Line 13/ Line 17)	0.003476
19 Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh)	759,185,445
20 Mass Market Adjustment factor (Line 12/ Line 19)	(0.000034)
21 Balance of the ESRM Reconciliation Factor (Line 16/ Line 17)	(0.000062)
Balance of the ESRM Rates (\$/kWh)	
22 Unhedged & MHP customers (Line 18 + Line 21)	0.003414
23 SC1 & SC2-ND Customers (Line 18 + Line 20 + Line 21)	0.003380

New Hedge Adjustment**Rule 46.3.1**

	<u>July 2013</u>	<u>September 2013</u>
1 Forecast Net Market Value (OMVC) of New Hedges		\$ (948,130.00)
2 Actual Net Market Value (OMVC) of New Hedges	\$ (7,237,024.00)	
3 Prior New Hedge Adjustment reconciliation calculated for July 2013 Billing	<u>\$ (3,064,561.80)</u>	
4 Intended Billing (Line 2 + Line 3)	<u>\$(10,301,585.80)</u>	
5 New Hedge Adjustment Billed Revenue	\$ (7,383,531.40)	
6 Reconciliation of Billed Revenue (Line 4 - Line 5)		<u>\$ (2,918,054.40)</u>
7 New Hedge Adjustment for September 2013 Billing (Line 1 + Line 6)		\$ (3,866,184.40)
		<u>Billing Month</u>
		<u>September 2013</u>
8 Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh)		759,185,445
9 New Hedge Adjustment (Line 7/ Line 8)		\$ (0.005093)

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

	<u>July 2013</u>	<u>September 2013</u>
1 Forecast Net Market Value (OMVC) of Legacy Hedges		\$ 2,257,334.25
2 Scheduled Nine Mile 2 RSA Credit		\$ -
3 Actual Net Market Value (OMVC) of Legacy Hedges	\$ 4,880,481.27	
4 Nine Mile 2 RSA Credit	\$ -	
5 Prior LTC reconciliation calculated for July 2013 Billing	<u>\$ (1,775,910.60)</u>	
6 Intended Billing (Line 3 + Line 4 + Line 5)	<u>\$ 3,104,570.67</u>	
7 Legacy Transition Charge Billed Revenue ⁽¹⁾	\$ 334,489.08	
8 Reconciliation of Billed Revenue (Line 6 - Line 7)		<u>\$ 2,770,081.59</u>
9 Legacy Transition Charge for September 2013 Billing (Line 1 + Line 2 + Line 8)		\$ 5,027,416
<u>Rate Calculation</u>		<u>Billing Month</u> <u>September 2013</u>
10 Forecast Total Delivery Sales in Billing Month (kWh) *		2,539,035,817
11 Legacy Transition Charge (Line 9/ Line 10)		\$ 0.001980

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

NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: AUGUST 30, 2013

STATEMENT TYPE: SC
WORKPAPER FOR STATEMENT NO. 21

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		
	July 2013	September 2013
1 Forecast Net Market Value (OMVC) of NYPA R&D Contracts		\$ (909,819.32)
2 Actual Net Market Value (OMVC) of NYPA R&D Contracts	\$ (1,063,284.30)	
3 Prior NYPA R&D reconciliation calculated for July 2013 Billing	\$ (230,122.67)	
4 Intended Billing (Line 2 + Line 3)	\$ (1,293,406.97)	
5 NYPA Benefit (R&D Contracts) Billed Revenue	\$ (1,484,393.39)	
6 Reconciliation of Billed Revenue (Line 4 - Line 5)		\$ 190,986.42
7 NYPA Benefit (R&D Contracts) for September 2013 Billing (Line 1 + Line 6)		\$ (718,832.90)
Rate Calculation		Billing Month September 2013
8 Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh)		958,440,795
9 NYPA Benefit (R&D Contracts) rate (Line 7/ Line 8)		\$ (0.000750)

RECHARGE NY RESIDENTIAL CONSUMER DISCOUNT (RCD) PAYMENT		
	July 2013	September 2013
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 July 2013 Billing	\$ 84,203.56	
13 Intended Billing (Line 11 + Line 12)	\$ (3,377,463.44)	
14 NYPA Benefit (RCD) Billed Revenue	\$ (3,640,808.70)	
15 Reconciliation of Billed Revenue (Line 13 - Line 14)		\$ 263,345.26
16 NYPA Benefit (RCD) for September 2013 Billing (Line 10 + Line 15)		\$ (3,198,321.74)
Rate Calculation		Billing Month September 2013
17 Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh)		958,440,795
18 NYPA Benefit (RCD) rate (Line 16/ Line 17)		\$ (0.003337)