

"Balance of the ESRM"
Rule 46.3.2 and Rule 46.3.3

Dollar Reconciliations

| | | | |
|-------------------------------------------------------------------------------------------------------------|-----------------------------|-----------|-----------------------|
| Actual Electricity Supply Costs in calendar month of: | August 2013 | \$ | 69,161,144.24 |
| Actual Electricity Supply Costs in calendar month of: | September 2013 | \$ | 63,217,162.20 |
| 1 Rule 46.3.3.1 Actual Electricity Supply Costs to be Reconciled | Half from Each Month | \$ | 66,189,153.22 |
| Actual OMVC of Legacy Hedges (excluding NYPA R&D) in calendar month of: | August 2013 | \$ | 3,013,150.88 |
| Actual OMVC of NYPA R&D Contracts in calendar month of: | August 2013 | \$ | (978,375.60) |
| Actual OMVC of New Hedges in calendar month of: | August 2013 | \$ | 1,164,747.00 |
| 2 Actual Net Market Value (OMVC) of Self-Reconciling Mechanisms and Adjustments | August 2013 | \$ | 3,199,522.28 |
| Actual OMVC of Legacy Hedges (excluding NYPA R&D Contracts) in calendar month of: | September 2013 | \$ | 2,145,042.82 |
| Actual OMVC of NYPA R&D Contracts in calendar month of: | September 2013 | \$ | (938,764.11) |
| Actual OMVC of New Hedges in calendar month of: | September 2013 | \$ | (1,264,677.00) |
| 3 Actual Net Market Value (OMVC) of Self-Reconciling Mechanisms and Adjustments | September 2013 | \$ | (58,398.29) |
| 4 Actual Net Market Value (OMVC) to subtract from Line 1 | Half from Each Month | \$ | 1,570,562.00 |
| 5 Actual Market Cost of Electricity Supply to be Reconciled (Line 1 minus Line 4) | | \$ | 64,618,591.22 |
| 6 Rule 46.1 ESCost Revenue from All Commodity Customers in revenue month of: | September 2013 | \$ | 65,410,610.98 |
| 7 Balance of the ESRM (Line 5 minus Line 6) | | \$ | (792,019.76) |
| Rule 46.3.2 Mass Market Adjustment | | | |
| 8 Actual Commodity Rate (\$/kWh) for calendar month of: | September 2013 | | 0.06099 |
| 9 Forecast Commodity Rate (\$/kWh) for calendar month of: | September 2013 | | 0.05836 |
| 10 Actual Commodity Rate (\$/kWh) for calendar month of: | August 2013 | | 0.05998 |
| 11 S.C. 1 & S.C. 2ND Billed Commodity Sales (kWh) in revenue month of: | September 2013 | | 757,092,445 |
| 12 Mass Market Adjustment: (Line 8 - Line 9)[(1/2)Line 11] + (Line 10 - Line 9)[(1/2)(Line 11)] | | \$ | 1,608,821.45 |
| 13 Rule 46.3.3 Supply Service Adjustment (Line 7 minus Line 12) | | \$ | (2,400,841.21) |
| 14 'Balance of the ESRM' (Line 7) plus Sales Reconciliation (Line 16) calculated for September 2013 Billing | | \$ | 3,818,525.34 |
| 15 'Balance of the ESRM' Billed in September 2013 | | \$ | 3,122,957.58 |
| 16 Balance of the ESRM Sales Reconciliation for November 2013 billing (Line 14 minus Line 15) | | \$ | 695,567.76 |
| 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 |

Rate Calculations

**Billing Month
November 2013**

| | |
|----------------------------------------------------------------------------------------------|-----------------|
| 20 Forecast Total Commodity Sales for Billing Month (kWh) | 957,511,069 |
| 21 Supply Service Adjustment factor for all Commodity Customers ((Line 13+Line 18)/ Line 20) | (0.000335) |
| 22 Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh) | 655,033,192 |
| 23 Mass Market Adjustment factor ((Line 12+Line 17)/ Line 22) | 0.003305 |
| 24 Balance of the ESRM Reconciliation Factor (Line 16/ Line 20) | 0.000726 |
| Balance of the ESRM Rates (\$/kWh) | |
| 25 Unhedged & MHP customers (Line 21 + Line 24) | 0.000391 |
| 26 SC1 & SC2-ND Customers (Line 21 + Line 23 + Line 24) | 0.003696 |

New Hedge Adjustment
Rule 46.3.1

| | <u>September 2013</u> | <u>November 2013</u> |
|-----------------------------------------------------------------------------------|------------------------------|------------------------------------------------------------|
| 1 Forecast Net Market Value (OMVC) of New Hedges | | \$ (305,975.83) |
| 2 Actual Net Market Value (OMVC) of New Hedges | \$ (1,264,677.00) | |
| 3 Prior New Hedge Adjustment reconciliation calculated for September 2013 Billing | <u>\$ (2,918,054.40)</u> | |
| 4 Intended Billing (Line 2 + Line 3) | <u>\$ (4,182,731.40)</u> | |
| 5 New Hedge Adjustment Billed Revenue | \$ (3,495,892.28) | |
| 6 Reconciliation of Billed Revenue (Line 4 - Line 5) | | <u>\$ (686,839.12)</u> |
| 7 New Hedge Adjustment for November 2013 Billing (Line 1 + Line 6) | | \$ (992,814.95) |
| <u>Rate Calculation</u> | | <u>Billing Month</u> <u>November 2013</u> |
| 8 Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh) | | 655,033,192 |
| 9 New Hedge Adjustment (Line 7/ Line 8) | | \$ (0.001516) |

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

| | <u>September 2013</u> | <u>November 2013</u> |
|---------------------------------------------------------------------------------|------------------------|------------------------------------------------------------|
| 1 Forecast Net Market Value (OMVC) of Legacy Hedges | | \$ 4,877,202.20 |
| 2 Scheduled Nine Mile 2 RSA Credit | | \$ - |
| 3 Actual Net Market Value (OMVC) of Legacy Hedges | \$ 2,145,042.82 | |
| 4 Nine Mile 2 RSA Credit | \$ - | |
| 5 Prior LTC reconciliation calculated for September 2013 Billing | <u>\$ 2,770,081.59</u> | |
| 6 Intended Billing (Line 3 + Line 4 + Line 5) | \$ 4,915,124.41 | |
| 7 Legacy Transition Charge Billed Revenue ⁽¹⁾ | \$ 4,923,990.52 | |
| 8 Reconciliation of Billed Revenue (Line 6 - Line 7) | | <u>\$ (8,866.11)</u> |
| 9 Legacy Transition Charge for November 2013 Billing (Line 1 + Line 2 + Line 8) | | \$ 4,868,336.09 |
| <u>Rate Calculation</u> | | <u>Billing Month</u> <u>November 2013</u> |
| 10 Forecast Total Delivery Sales in Billing Month (kWh) * | | 2,091,934,441 |
| 11 Legacy Transition Charge (Line 9/ Line 10) | | \$ 0.002327 |

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

NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: OCTOBER 29, 2013

STATEMENT TYPE: SC
WORKPAPER FOR STATEMENT NO. 23

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 | | September 2013 | November 2013 |
|-------------------------------|--------------------------------------------------------------------------|-----------------------|----------------------------------------|
| 1 | Forecast Net Market Value (OMVC) of NYPA R&D Contracts | | \$ (341,733.04) |
| 2 | Actual Net Market Value (OMVC) of NYPA R&D Contracts | \$ (938,764.11) | |
| 3 | Prior NYPA R&D reconciliation calculated for September 2013 Billing | \$ 190,986.42 | |
| 4 | Intended Billing (Line 2 + Line 3) | \$ (747,777.69) | |
| 5 | NYPA Benefit (R&D Contracts) Billed Revenue | \$ (759,747.71) | |
| 6 | Reconciliation of Billed Revenue (Line 4 - Line 5) | | \$ 11,970.02 |
| 7 | NYPA Benefit (R&D Contracts) for November 2013 Billing (Line 1 + Line 6) | | \$ (329,763.02) |
| Rate Calculation | | | Billing Month November 2013 |
| 8 | Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh) | | 829,653,256 |
| 9 | NYPA Benefit (R&D Contracts) rate (Line 7/ Line 8) | | \$ (0.000397) |

| RECHARGE NY RESIDENTIAL CONSUMER DISCOUNT (RCD) PAYMENT | | September 2013 | November 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 September 2013 Billing | \$ 263,345.26 | |
| 13 | Intended Billing (Line 11 + Line 12) | \$ (3,198,321.74) | |
| 14 | NYPA Benefit (RCD) Billed Revenue | \$ (3,247,902.79) | |
| 15 | Reconciliation of Billed Revenue (Line 13 - Line 14) | | \$ 49,581.05 |
| 16 | NYPA Benefit (RCD) for November 2013 Billing (Line 10 + Line 15) | | \$ (3,412,085.95) |
| Rate Calculation | | | Billing Month November 2013 |
| 17 | Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh) | | 829,653,256 |
| 18 | NYPA Benefit (RCD) rate (Line 16/ Line 17) | | \$ (0.004113) |