

NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: JUNE 30, 2015

STATEMENT TYPE: SC  
WORKPAPER FOR STATEMENT NO. 43  
Attachment 1  
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**"Balance of the ESRM"**  
**Rule 46.3.2 and Rule 46.3.3**

Dollar Reconciliations						Cost Month May 2015
1	Rule 46.3.3.1 Actual Electricity Supply Costs					\$ 52,758,880.04
Actual Net Market Value (OMVC) of Self-Reconciling Mechanisms and Adjustments						
2	Actual OMVC of Legacy Hedges (excluding NYPA R&D Contracts)					\$ 3,626,477.390
3	Actual OMVC of Nine Mile 2 RSA Agreement					\$ -
4	Actual OMVC of NYPA R&D Contracts					\$ (404,124.46)
5	Actual OMVC of New Hedges					\$ 7,564,487.01
6	Subtotal					\$ 10,786,839.94
7	Actual Market Cost of Electricity Supply (Line 1 minus Line 6)					\$ 41,972,040.10
8	Rule 46.1 ESCost Revenue from All Commodity Customers					\$ 36,579,923.90
9	Balance of the ESRM (Line 7 minus Line 8)					\$ 5,392,116.20
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)	0.04275	0.04719	136,472,007	\$ 605,935.71
11		B - Genesee (29)	0.03976	0.04182	45,249,242	\$ 93,213.44
12		C - Central (2)	0.04062	0.04344	118,214,052	\$ 333,363.63
13		D - North (31)	0.03833	0.03751	9,114,664	\$ (7,474.02)
14		E - Mohawk V (3)	0.04116	0.04308	87,810,420	\$ 168,596.01
15		F - Capital (4)	0.04443	0.04402	197,659,506	\$ (81,040.40)
16	S.C. No. 2ND	A - West (1)	0.04800	0.05303	6,210,103	\$ 31,236.82
17		B - Genesee (29)	0.04484	0.04654	1,633,093	\$ 2,776.26
18		C - Central (2)	0.04575	0.04830	5,406,686	\$ 13,787.05
19		D - North (31)	0.04335	0.04120	358,901	\$ (771.64)
20		E - Mohawk V (3)	0.04632	0.04776	3,924,533	\$ 5,651.33
21		F - Capital (4)	0.04950	0.04877	9,365,014	\$ (6,836.46)
22	Sum Lines 10 through Line 21					\$ 1,158,437.72
23	Rule 46.3.3 Supply Service Adjustment (Line 9 minus Line 22)					\$ 4,233,678.48
24	'Balance of the ESRM' plus Sales Reconciliation, calculated for May 2015 Billing					\$ (29,229,181.02)
25	'Balance of the ESRM' Billed in May 2015					\$ (19,944,347.61)
26	Balance of the ESRM Sales Reconciliation for July 2015 billing (Line 24 minus Line 25)					\$ (9,284,833.41)

<b>Rate Calculations</b>				<b>Billing Month July 2015</b>	
27	Forecast Total Commodity Sales for Billing Month (kWh)				1,141,924,568
28	Supply Service Adjustment factor for all Commodity Customers ((Line 23 / Line 27)				0.003707
29	Balance of the ESRM Reconciliation Factor (Line 26/ Line 27)				(0.008131)
	<b>Balance of the ESRM Rates (\$/kWh)</b>				
30	Unhedged & MHP customers (Line 28 + Line 29)				<b>(0.004424)</b>

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

		Forecast Commodity Sales for Billing Month	Mass Market Adjustment Factor	Supply Service Adj Factor	Balance of the ESRM Reconciliation Factor	Balance of the ESRM rates (\$/kWh)
31	S.C. No. 1	A - West (1)	175,074,318	0.003461	0.003707	(0.000963)
32		B - Genesee (29)	58,048,389	0.001606	0.003707	(0.002818)
33		C - Central (2)	151,651,939	0.002198	0.003707	(0.002226)
34		D - North (31)	11,692,827	(0.000639)	0.003707	(0.005063)
35		E - Mohawk V (3)	112,648,372	0.001497	0.003707	(0.002927)
36		F - Capital (4)	253,569,241	(0.000320)	0.003707	(0.004744)
37	S.C. No. 2ND	A - West (1)	6,967,291	0.004483	0.003707	0.000059
38		B - Genesee (29)	1,832,213	0.001515	0.003707	(0.002909)
39		C - Central (2)	6,065,915	0.002273	0.003707	(0.002151)
40		D - North (31)	402,661	(0.001916)	0.003707	(0.006340)
41		E - Mohawk V (3)	4,403,045	0.001284	0.003707	(0.003140)
42		F - Capital (4)	10,506,875	(0.000651)	0.003707	(0.005075)
			792,863,087			

**New Hedge Adjustment**  
**Rule 46.3.1**

**Portfolio Zones A-E**

	<u>May 2015</u>	<u>July 2015</u>
1 Forecast Net Market Value (OMVC) of New Hedges		\$ 3,449,049.88
2 Actual Net Market Value (OMVC) of New Hedges	\$ 3,275,748.08	
3 Prior New Hedge Adjustment reconciliation calculated for May 2015 Billing	\$ 5,260,036.40	
4 Prior Supply Reconciliation Balance reconciliation calculated for May 2015 Billing	<u>\$ 5,800,000.00</u>	
5 Intended Billing (Line 2 + Line 3 + Line 4)	\$ 14,335,784.48	
6 New Hedge Adjustment Billed Revenue	\$ 12,512,714.22	
7 Reconciliation of Billed Revenue (Line 5 - Line 6)		<u>\$ 1,823,070.26</u>
8 New Hedge Adjustment for July 2015 Billing (Line 1 + Line 7)		\$ 5,272,120.14
<b>Rate Calculation</b>		<b>Billing Month July 2015</b>
9 Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh)		528,786,971
10 <b>New Hedge Adjustment</b> (Line 8/ Line 9)		<b>\$ 0.009970</b>

**Portfolio Zone F**

	<u>May 2015</u>	<u>July 2015</u>
11 Forecast Net Market Value (OMVC) of New Hedges		\$ 5,964,216.12
12 Actual Net Market Value (OMVC) of New Hedges	\$ 4,288,738.93	
13 Prior New Hedge Adjustment reconciliation calculated for May 2015 Billing	\$ 2,348,181.59	
14 Prior Supply Reconciliation Balance reconciliation calculated for May 2015 Billing	<u>\$ 2,800,000.00</u>	
15 Intended Billing (Line 12 + Line 13 + Line 14)	\$ 9,436,920.52	
16 New Hedge Adjustment Billed Revenue	\$ 7,379,391.92	
17 Reconciliation of Billed Revenue (Line 15 - Line 16)		<u>\$ 2,057,528.60</u>
18 New Hedge Adjustment for July 2015 Billing (Line 11 + Line 17)		\$ 8,021,744.72
<b>Rate Calculation</b>		<b>Billing Month July 2015</b>
19 Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh)		264,076,116
20 <b>New Hedge Adjustment</b> (Line 18/ Line 19)		<b>\$ 0.030377</b>

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

	<u>May 2015</u>	<u>July 2015</u>
1 Forecast Net Market Value (OMVC) of Legacy Hedges		\$ 3,081,854.22
2 Scheduled Nine Mile 2 RSA Credit		\$ -
3 Actual Net Market Value (OMVC) of Legacy Hedges	\$ 3,626,477.39	
4 Nine Mile 2 RSA Credit	\$ -	
5 Prior LTC reconciliation calculated for May 2015 Billing	<u>\$ (1,895,126.68)</u>	
6 Intended Billing (Line 3 + Line 4 + Line 5)	<u>\$ 1,731,350.71</u>	
7 Legacy Transition Charge Billed Revenue	\$ 4,539,007.30	
8 Reconciliation of Billed Revenue (Line 6 - Line 7)		<u>\$ (2,807,656.59)</u>
9 Legacy Transition Charge for July 2015 Billing (Line 1 + Line 2 + Line 8)		\$ 274,197.63
<b><u>Rate Calculation</u></b>		<b><u>Billing Month</u></b> <b><u>July 2015</u></b>
10 Forecast Total Delivery Sales in Billing Month (kWh) *		2,635,595,013
11 <b>Legacy Transition Charge</b> (Line 9/ Line 10)		<b>\$ 0.000104</b>

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

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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)
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	\$8,518,453.44	\$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
Jan-15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Feb-15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Mar-15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Apr-15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
May-15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Jun-15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Jul-15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Aug-15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Sep-15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Oct-15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Nov-15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Dec-15	\$0.00	\$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**

<b>NYPA R&amp;D CONTRACTS</b>		
	<b>May 2015</b>	<b>July 2015</b>
1 Forecast Net Market Value (OMVC) of NYPA R&D Contracts		\$ (836,642.51)
2 Actual Net Market Value (OMVC) of NYPA R&D Contracts	\$ (404,124.46)	
3 Prior NYPA R&D reconciliation calculated for May 2015 Billing	\$ 439,503.35	
4 Intended Billing (Line 2 + Line 3)	\$ 35,378.89	
5 NYPA Benefit (R&D Contracts) Billed Revenue	\$ (92,862.95)	
6 Reconciliation of Billed Revenue (Line 4 - Line 5)		\$ 128,241.84
7 NYPA Benefit (R&D Contracts) for July 2015 Billing (Line 1 + Line 6)		\$ (708,400.67)
<b>Rate Calculation</b>		<b>Billing Month July 2015</b>
8 Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh)		999,656,998
9 <b>NYPA Benefit (R&amp;D Contracts) rate</b> (Line 7/ Line 8)		\$ (0.000709)

<b>RECHARGE NY RESIDENTIAL CONSUMER DISCOUNT (RCD) PAYMENT</b>		
	<b>May 2015</b>	<b>July 2015</b>
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 May 2015 Billing	\$ 96,534.89	
13 Intended Billing (Line 11 + Line 12)	\$ (2,049,698.44)	
14 NYPA Benefit (RCD) Billed Revenue	\$ (1,990,758.46)	
15 Reconciliation of NYPA RCD Billed Revenue (Line 13 - Line 14)		\$ (58,939.98)
16 Actual RAD payment Booked	\$ (276,933.33)	
17 NYPA Benefit (RAD) Billed Revenue	\$ (204,974.20)	
18 Reconciliation of Billed Revenue (Line 16 - Line 17)		\$ (71,959.13)
19 NYPA Benefit (RCD) for July 2015 Billing (Line 10 + Line 15+ Line 18)		\$ (2,277,132.44)
<b>Rate Calculation</b>		<b>Billing Month July 2015</b>
20 Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh)		999,656,998
21 <b>NYPA Benefit (RCD) rate</b> (Line 19/ Line 20)		\$ (0.002278)

<b>RESIDENTIAL AGRICULTURAL DISCOUNT (RAD) PAYMENT</b>		
	<b>July 2015</b>	
22 NYPA RAD Payment for upcoming billing month	\$ (276,933.33)	
<b>Rate Calculation</b>		<b>Billing Month July 2015</b>
23 Forecast SC-1 and SC-1C RAD Customers Sales in Billing month (kWh)		5,256,250
24 <b>NYPA Benefit (RAD) rate</b> (Line 22/ Line 23)		\$ (0.052686)

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**Supply Reconciliation Balance**  
**Rule 46.3.4**

**FOR THE BILLING MONTH OF**  
**July 2015**

1	Beginning Balance Deferred	\$	(4,800,000.00)	\$	(2,700,000.00)	
		Total Customer Reconciliations	Zone A-E Mass Market	Zone F Mass Market		Unhedged
2	NHA	\$ 3,880,598.86	\$ 1,823,070.26	\$ 2,057,528.60		
3	MMA	\$ 1,158,437.72	\$ 1,246,314.57	\$ (87,876.86)		
4	SSA	\$ 4,233,678.48	\$ 1,960,474.52	\$ 979,060.62	\$ 1,294,143.35	
5	Balance of ESRM	\$ (9,284,833.41)	\$ (4,299,494.97)	\$ (2,147,167.00)	\$ (2,838,171.45)	
6	Total Reconciliations Available	\$ (12,118.35)	\$ (4,069,635.61)	\$ (1,898,454.64)	\$ (1,544,028.10)	
7	Flex Account Adjustment		\$ (4,800,000.00)	\$ (2,700,000.00)		
8	Net Monthly Customer Charges / (Credits) (Lines 2+3+4+5+7)		\$ (4,069,635.61)	\$ (1,898,454.64)	\$ (1,544,028.10)	
9	Ending Balance Deferred	\$	-	\$	-	
10	Forecast Sales		528,786,971	264,076,116		
11	Supply Balance Reconciliation Rate (Line 7 / Line 10)	\$	(0.009077)	\$	(0.010224)	