

"Balance of the ESRM"
Rule 46.3.2 and Rule 46.3.3

| Dollar Reconciliations | | | | | Cost Month June 2016 | |
|-------------------------------|---|---------------------|-------------------------|-----------------------|-----------------------------------|------------------------|
| 1 | Rule 46.3.3.1 Actual Electricity Supply Costs | | | | \$ | 55,972,819.12 |
| | Actual Net Market Value (OMVC) of Self-Reconciling Mechanisms and Adjustments | | | | | |
| 2 | Actual OMVC of Legacy Hedges (excluding NYPA R&D Contracts) | | | | \$ | 2,665,385.570 |
| 3 | Actual OMVC of Nine Mile 2 RSA Agreement | | | | \$ | - |
| 4 | Actual OMVC of NYPA R&D Contracts | | | | \$ | (479,127.98) |
| 5 | Actual OMVC of New Hedges | | | | \$ | 5,301,878.82 |
| 6 | Subtotal | | | | \$ | 7,488,136.41 |
| 7 | Actual Market Cost of Electricity Supply (Line 1 minus Line 6) | | | | \$ | 48,484,682.71 |
| 8 | Rule 46.1 ESCost Revenue from All Commodity Customers | | | | \$ | 43,518,402.65 |
| 9 | Balance of the ESRM (Line 7 minus Line 8) | | | | \$ | 4,966,280.06 |
| | 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) | 0.04522 | 0.05610 | 168,126,476 | \$ 1,829,216.06 |
| 11 | | B - Genesee (29) | 0.04099 | 0.04609 | 51,190,805 | \$ 261,073.11 |
| 12 | | C - Central (2) | 0.04192 | 0.04683 | 134,178,969 | \$ 658,818.74 |
| 13 | | D - North (31) | 0.03918 | 0.04220 | 10,623,445 | \$ 32,082.80 |
| 14 | | E - Mohawk V (3) | 0.04220 | 0.04652 | 100,280,574 | \$ 433,212.08 |
| 15 | | F - Capital (4) | 0.04399 | 0.04915 | 236,926,740 | \$ 1,222,541.98 |
| 16 | S.C. No. 2ND | A - West (1) | 0.05019 | 0.06324 | 7,044,035 | \$ 91,924.66 |
| 17 | | B - Genesee (29) | 0.04544 | 0.05139 | 1,882,731 | \$ 11,202.25 |
| 18 | | C - Central (2) | 0.04645 | 0.05223 | 5,258,185 | \$ 30,392.31 |
| 19 | | D - North (31) | 0.04354 | 0.04710 | 475,083 | \$ 1,691.30 |
| 20 | | E - Mohawk V (3) | 0.04672 | 0.05178 | 4,429,037 | \$ 22,410.93 |
| 21 | | F - Capital (4) | 0.04826 | 0.05447 | 10,391,907 | \$ 64,533.74 |
| 22 | Sum Lines 10 through Line 21 | | | | | \$ 4,659,099.94 |
| 23 | Rule 46.3.3 Supply Service Adjustment (Line 9 minus Line 22) | | | | \$ | 307,180.11 |
| 24 | 'Balance of the ESRM' plus Sales Reconciliation, calculated for June 2016 Billing | | | | \$ | 4,981,432.59 |
| 25 | 'Balance of the ESRM' Billed in June 2016 | | | | \$ | 4,872,716.12 |
| 26 | Balance of the ESRM Sales Reconciliation for August 2016 billing (Line 24 minus Line 25) | | | | \$ | 108,716.47 |

| Rate Calculations | | | | | Billing Month August 2016 | |
|--------------------------|---|--|--|--|--------------------------------------|-----------------|
| 27 | Forecast Total Commodity Sales for Billing Month (kWh) | | | | | 1,220,021.958 |
| 28 | Supply Service Adjustment factor for all Commodity Customers ((Line 23 / Line 27) | | | | | 0.000252 |
| 29 | Balance of the ESRM Reconciliation Factor (Line 26/ Line 27) | | | | | 0.000089 |
| | Balance of the ESRM Rates (\$/kWh) | | | | | |
| 30 | Unhedged & MHP customers (Line 28 + Line 29) | | | | | 0.000341 |

| Balance of the ESRM Rates SC-1 and SC-2ND Customers(\$/kWh): | | | | | | | |
|--|--------------|------------------|--------------------|-------------------|----------------|---------------------|----------|
| | | | Forecast Commodity | | Balance of the | | |
| | | | Sales for Billing | Mass Market | ESRM | | |
| | | | Month | Adjustment Factor | Reconciliation | Balance of the ESRM | |
| | | | | | Factor | rates (\$/kWh) | |
| 31 | S.C. No. 1 | A - West (1) | 209,401,732 | 0.008735 | 0.000252 | 0.000089 | 0.009076 |
| 32 | | B - Genesee (29) | 63,758,210 | 0.004095 | 0.000252 | 0.000089 | 0.004436 |
| 33 | | C - Central (2) | 167,120,070 | 0.003942 | 0.000252 | 0.000089 | 0.004283 |
| 34 | | D - North (31) | 13,231,514 | 0.002425 | 0.000252 | 0.000089 | 0.002766 |
| 35 | | E - Mohawk V (3) | 124,899,578 | 0.003468 | 0.000252 | 0.000089 | 0.003809 |
| 36 | | F - Capital (4) | 295,092,545 | 0.004143 | 0.000252 | 0.000089 | 0.004484 |
| 37 | S.C. No. 2ND | A - West (1) | 7,865,619 | 0.011687 | 0.000252 | 0.000089 | 0.012028 |
| 38 | | B - Genesee (29) | 2,102,324 | 0.005329 | 0.000252 | 0.000089 | 0.005670 |
| 39 | | C - Central (2) | 5,871,476 | 0.005176 | 0.000252 | 0.000089 | 0.005517 |
| 40 | | D - North (31) | 530,495 | 0.003188 | 0.000252 | 0.000089 | 0.003529 |
| 41 | | E - Mohawk V (3) | 4,945,620 | 0.004531 | 0.000252 | 0.000089 | 0.004872 |
| 42 | | F - Capital (4) | 11,603,971 | 0.005561 | 0.000252 | 0.000089 | 0.005902 |
| | | | 906,423,152 | | | | |

New Hedge Adjustment
Rule 46.3.1

Portfolio Zones A-E

| | <u>June 2016</u> | <u>August 2016</u> |
|---|-------------------|--------------------------------------|
| 1 Forecast Net Market Value (OMVC) of New Hedges | | \$ 19,992.15 |
| 2 Actual Net Market Value (OMVC) of New Hedges | \$ 1,238,880.64 | |
| 3 Prior New Hedge Adjustment reconciliation calculated for June 2016 Billing | \$ (1,245,690.81) | |
| 4 Prior Supply Reconciliation Balance reconciliation calculated for June 2016 Billing | \$ - | |
| 5 Intended Billing (Line 2 + Line 3 + Line 4) | \$ (6,810.17) | |
| 6 New Hedge Adjustment Billed Revenue | \$ 2,345,954.74 | |
| 7 Reconciliation of Billed Revenue (Line 5 - Line 6) | | \$ (2,352,764.91) |
| 8 New Hedge Adjustment for August 2016 Billing (Line 1 + Line 7) | | \$ (2,332,772.76) |
| Rate Calculation | | Billing Month August 2016 |
| 9 Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh) | | 599,726,636 |
| 10 New Hedge Adjustment (Line 8/ Line 9) | | \$ (0.003890) |

Portfolio Zone F

| | <u>June 2016</u> | <u>August 2016</u> |
|--|------------------|--------------------------------------|
| 11 Forecast Net Market Value (OMVC) of New Hedges | | \$ 4,930,115.85 |
| 12 Actual Net Market Value (OMVC) of New Hedges | \$ 4,062,998.18 | |
| 13 Prior New Hedge Adjustment reconciliation calculated for June 2016 Billing | \$ (177,849.31) | |
| 14 Prior Supply Reconciliation Balance reconciliation calculated for June 2016 Billing | \$ - | |
| 15 Intended Billing (Line 12 + Line 13 + Line 14) | \$ 3,885,148.87 | |
| 16 New Hedge Adjustment Billed Revenue | \$ 4,471,984.60 | |
| 17 Reconciliation of Billed Revenue (Line 15 - Line 16) | | \$ (586,835.73) |
| 18 New Hedge Adjustment for August 2016 Billing (Line 11 + Line 17) | | \$ 4,343,280.12 |
| Rate Calculation | | Billing Month August 2016 |
| 19 Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh) | | 306,696,516 |
| 20 New Hedge Adjustment (Line 18/ Line 19) | | \$ 0.014161 |

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

| | <u>June 2016</u> | <u>August 2016</u> |
|---|------------------------|--|
| 1 Forecast Net Market Value (OMVC) of Legacy Hedges | | \$ 2,908,292.00 |
| 2 Scheduled Nine Mile 2 RSA Credit | | \$ - |
| 3 Actual Net Market Value (OMVC) of Legacy Hedges | \$ 2,665,385.57 | |
| 4 Nine Mile 2 RSA Credit | \$ - | |
| 5 Prior LTC reconciliation calculated for June 2016 Billing | <u>\$ (760,943.79)</u> | |
| 6 Intended Billing (Line 3 + Line 4 + Line 5) | \$ 1,904,441.78 | |
| 7 Legacy Transition Charge Billed Revenue | \$ 4,955,940.84 | |
| 8 Reconciliation of Billed Revenue (Line 6 - Line 7) | | <u>\$ (3,051,499.06)</u> |
| 9 Legacy Transition Charge for August 2016 Billing (Line 1 + Line 2 + Line 8) | | \$ (143,207.06) |
| <u>Rate Calculation</u> | | <u>Billing Month</u> <u>August 2016</u> |
| 10 Forecast Total Delivery Sales in Billing Month (kWh) * | | 2,777,631,057 |
| 11 Legacy Transition Charge (Line 9/ Line 10) | | \$ (0.000052) |

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) |
| 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 | | \$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 |
| Feb-15 | \$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 |
| Apr-15 | \$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 |
| Jun-15 | \$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 |
| Aug-15 | \$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 |
| Oct-15 | \$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 |
| Dec-15 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | | 0.00% | \$0.00 | \$0.00 |
| Jan-16 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | | 0.00% | \$0.00 | \$0.00 |
| Feb-16 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | | 0.00% | \$0.00 | \$0.00 |
| Mar-16 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | | 0.00% | \$0.00 | \$0.00 |
| Apr-16 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | | 0.00% | \$0.00 | \$0.00 |
| May-16 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | | 0.00% | \$0.00 | \$0.00 |
| Jun-16 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | | 0.00% | \$0.00 | \$0.00 |
| Jul-16 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | | 0.00% | \$0.00 | \$0.00 |
| Aug-16 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | | 0.00% | \$0.00 | \$0.00 |

NYPA Hydropower Benefit Mechanism ("NYPA Benefit")**Rule 46.2.6**

| NYPA R&D CONTRACTS | | June 2016 | August 2016 |
|-------------------------------|--|------------------|--------------------------------------|
| 1 | Forecast Net Market Value (OMVC) of NYPA R&D Contracts | | \$ (842,614.98) |
| 2 | Actual Net Market Value (OMVC) of NYPA R&D Contracts | \$ (479,127.98) | |
| 3 | Prior NYPA R&D reconciliation calculated for June 2016 Billing | \$ 217,845.43 | |
| 4 | Intended Billing (Line 2 + Line 3) | \$ (261,282.55) | |
| 5 | NYPA Benefit (R&D Contracts) Billed Revenue | \$ (466,181.60) | |
| 6 | Reconciliation of Billed Revenue (Line 4 - Line 5) | | \$ 204,899.05 |
| 7 | NYPA Benefit (R&D Contracts) for August 2016 Billing (Line 1 + Line 6) | | \$ (637,715.93) |
| Rate Calculation | | | Billing Month August 2016 |
| 8 | Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh) | | 1,094,924,730 |
| 9 | NYPA Benefit (R&D Contracts) rate (Line 7/ Line 8) | | \$ (0.000582) |

| RECHARGE NY RESIDENTIAL CONSUMER DISCOUNT (RCD) PAYMENT | | June 2016 | August 2016 |
|--|---|-------------------|--------------------------------------|
| 10 | RCD Payment for upcoming billing month | | \$ (1,453,900.00) |
| 11 | Actual RCD Payment Booked | \$ (1,453,900.00) | |
| 12 | Prior RCD Payment reconciliation calculated for June 2016 Billing | \$ (146,565.17) | |
| 13 | Intended Billing (Line 11 + Line 12) | \$ (1,600,465.17) | |
| 14 | NYPA Benefit (RCD) Billed Revenue | \$ (1,661,876.94) | |
| 15 | Reconciliation of NYPA RCD Billed Revenue (Line 13 - Line 14) | | \$ 61,411.77 |
| 16 | Actual RAD payment Booked | \$ (276,933.33) | |
| 17 | NYPA Benefit (RAD) Billed Revenue | \$ (256,317.79) | |
| 18 | Reconciliation of Billed Revenue (Line 16 - Line 17) | | \$ (20,615.54) |
| 19 | NYPA Benefit (RCD) for August 2016 Billing (Line 10 + Line 15+ Line 18) | | \$ (1,413,103.77) |
| Rate Calculation | | | Billing Month August 2016 |
| 20 | Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh) | | 1,094,924,730 |
| 21 | NYPA Benefit (RCD) rate (Line 19/ Line 20) | | \$ (0.001291) |

| RESIDENTIAL AGRICULTURAL DISCOUNT (RAD) PAYMENT | | August 2016 |
|--|--|--------------------------------------|
| 22 | NYPA RAD Payment for upcoming billing month | \$ (276,933.33) |
| Rate Calculation | | Billing Month August 2016 |
| 23 | Forecast SC-1 and SC-1C RAD Customers Sales in Billing month (kWh) | 8,398,874 |
| 24 | NYPA Benefit (RAD) rate (Line 22/ Line 23) | \$ (0.032973) |

Supply Reconciliation Balance
Rule 46.3.4

FOR THE BILLING MONTH OF
August 2016

| | | | | | | |
|----|--|--------------------------------|----------------------|--------------------|---------------|--|
| 1 | Beginning Balance Deferred | \$ | - | \$ | - | |
| | | | | | | |
| | | Total Customer Reconciliations | Zone A-E Mass Market | Zone F Mass Market | Unhedged | |
| 2 | NHA | \$ (2,939,600.64) | \$ (2,352,764.91) | \$ (586,835.73) | | |
| 3 | MMA | \$ 4,659,099.94 | \$ 3,372,024.22 | \$ 1,287,075.72 | | |
| 4 | SSA | \$ 307,180.11 | \$ 151,000.64 | \$ 77,220.80 | \$ 78,958.67 | |
| 5 | Balance of ESRM | \$ 108,716.47 | \$ 53,441.79 | \$ 27,329.81 | \$ 27,944.87 | |
| 6 | Total Reconciliations Available | \$ 2,135,395.89 | \$ 1,223,701.75 | \$ 804,790.60 | \$ 106,903.55 | |
| 7 | Flex Account Adjustment | | \$ - | \$ - | | |
| 8 | Net Monthly Customer Charges / (Credits) (Lines 2+3+4+5+7) | | \$ 1,223,701.75 | \$ 804,790.60 | \$ 106,903.55 | |
| 9 | Ending Balance Deferred | \$ | - | \$ | - | |
| 10 | Forecast Sales | | 599,726,636 | 306,696,516 | | |
| 11 | Supply Balance Reconciliation Rate (Line 7 / Line 10) | \$ | - | \$ | - | |