

P.S.C. 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: JANUARY 30, 2020

STATEMENT TYPE: VDER-CR  
 WORKPAPERS FOR STATEMENT NO. 28  
 PAGE 1 OF 12

**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**Capacity Market Value Cost Recovery - ALTERNATIVE 1**  
**Rule 40.3.2.1**

Average Monthly NYISO Spot Auction Capacity Price: \$ 0.85 /kW

Total of Alternative 1 VDER Projects' Net Injections at hour of NYISO Peak: 838 kW

**Total Alternative 1 Capacity Market Value Cost to Recover: \$ 715.01**

**Cost Allocation**

| <b>Service Class (with Voltage Delivery Level)</b> | <b>1CP Allocator</b> |                 |
|--|----------------------|-----------------|
| SC1  | 40.99%               | \$293.08        |
| SC1C   | 0.81%                | \$5.79          |
| SC2ND  | 2.54%                | \$18.16         |
| SC2D   | 14.46%               | \$103.39        |
| SC3-Secondary                                      | 13.34%               | \$95.38         |
| SC3-Primary  | 5.15%                | \$36.82         |
| SC3-Subtransmission/Transmission                   | 1.65%                | \$11.80         |
| SC3A-Secondary/Primary                             | 2.98%                | \$21.31         |
| SC3A-Sub Transmission                              | 3.75%                | \$26.81         |
| SC3A-Transmission                                  | 14.31%               | \$102.32        |
| Streetlighting                                     | 0.02%                | \$0.14          |
| <b>Total</b>                                       | <b>100.00%</b>       | <b>\$715.01</b> |

**Rate Design by Forecast**

| <b>Service Class (with Voltage Delivery Level)</b> | <b>Forecast</b> | <b>\$/kWh</b> |
|--|-----------------|---------------|
| SC1  | 1,038,135,953   | \$0.00000     |
| SC1C   | 27,747,168      | \$0.00000     |
| SC2ND  | 55,753,713      | \$0.00000     |
|  |                 | <b>\$/kW</b>  |
| SC2D   | 1,207,590       | \$0.00        |
| SC3-Secondary                                      | 941,241         | \$0.00        |
| SC3-Primary  | 370,570         | \$0.00        |
| SC3-Subtransmission/Transmission                   | 145,121         | \$0.00        |
| SC3A-Secondary/Primary                             | 264,360         | \$0.00        |
| SC3A-Sub Transmission                              | 357,425         | \$0.00        |
| SC3A-Transmission                                  | 1,193,881       | \$0.00        |
|  |                 | <b>\$/kWh</b> |
| Streetlighting                                     | 16,804,891      | \$0.00000     |

P.S.C. 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: JANUARY 30, 2020

STATEMENT TYPE: VDER-CR  
 WORKPAPERS FOR STATEMENT NO. 28  
 PAGE 2 OF 12

**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**  
**Capacity Market Value Cost Recovery - ALTERNATIVE 2**  
**Rule 40.3.2.1**

Average Monthly NYISO Spot Auction Capacity Price: \$ 0.85 /kW

Total of Alternative 2 VDER Projects' Net Injections at hour of NYISO Peak: - kW

**Total Alternative 2 Capacity Market Value Cost to Recover: \$ -**

**Cost Allocation**

| <b>Service Class (with Voltage Delivery Level)</b> | <b>1CP Allocator</b> |               |
|--|----------------------|---------------|
| SC1  | 40.99%               | \$0.00        |
| SC1C   | 0.81%                | \$0.00        |
| SC2ND  | 2.54%                | \$0.00        |
| SC2D   | 14.46%               | \$0.00        |
| SC3-Secondary                                      | 13.34%               | \$0.00        |
| SC3-Primary  | 5.15%                | \$0.00        |
| SC3-Subtransmission/Transmission                   | 1.65%                | \$0.00        |
| SC3A-Secondary/Primary                             | 2.98%                | \$0.00        |
| SC3A-Sub Transmission                              | 3.75%                | \$0.00        |
| SC3A-Transmission                                  | 14.31%               | \$0.00        |
| Streetlighting                                     | 0.02%                | \$0.00        |
| <b>Total</b>                                       | <b>100.00%</b>       | <b>\$0.00</b> |

**Rate Design by Forecast**

| <b>Service Class (with Voltage Delivery Level)</b> | <b>Forecast</b> | <b>\$/kWh</b> |
|--|-----------------|---------------|
| SC1  | 1,038,135,953   | \$0.00000     |
| SC1C   | 27,747,168      | \$0.00000     |
| SC2ND  | 55,753,713      | \$0.00000     |
|  |                 | <b>\$/kW</b>  |
| SC2D   | 1,207,590       | \$0.00        |
| SC3-Secondary                                      | 941,241         | \$0.00        |
| SC3-Primary  | 370,570         | \$0.00        |
| SC3-Subtransmission/Transmission                   | 145,121         | \$0.00        |
| SC3A-Secondary/Primary                             | 264,360         | \$0.00        |
| SC3A-Sub Transmission                              | 357,425         | \$0.00        |
| SC3A-Transmission                                  | 1,193,881       | \$0.00        |
|  |                 | <b>\$/kWh</b> |
| Streetlighting                                     | 16,804,891      | \$0.00000     |

P.S.C. 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: JANUARY 30, 2020

STATEMENT TYPE: VDER-CR  
 WORKPAPERS FOR STATEMENT NO. 28  
 PAGE 3 OF 12

**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**Capacity Market Value Cost Recovery - ALTERNATIVE 3**  
**Rule 40.3.2.1**

Average Monthly NYISO Spot Auction Capacity Price: \$ 0.85 /kW

Total of Alternative 3 VDER Projects' Net Injections at hour of NYISO Peak: 2,026 kW

**Total Alternative 3 Capacity Market Value Cost to Recover: \$ 1,728.77**

**Cost Allocation**

| <b>Service Class (with Voltage Delivery Level)</b> | <b>1CP Allocator</b> |                   |
|--|----------------------|-------------------|
| SC1  | 40.99%               | \$708.62          |
| SC1C   | 0.81%                | \$14.00           |
| SC2ND  | 2.54%                | \$43.91           |
| SC2D   | 14.46%               | \$249.98          |
| SC3-Secondary                                      | 13.34%               | \$230.62          |
| SC3-Primary  | 5.15%                | \$89.03           |
| SC3-Subtransmission/Transmission                   | 1.65%                | \$28.52           |
| SC3A-Secondary/Primary                             | 2.98%                | \$51.52           |
| SC3A-Sub Transmission                              | 3.75%                | \$64.83           |
| SC3A-Transmission                                  | 14.31%               | \$247.39          |
| Streetlighting                                     | 0.02%                | \$0.35            |
| <b>Total</b>                                       | <b>100.00%</b>       | <b>\$1,728.77</b> |

**Rate Design by Forecast**

| <b>Service Class (with Voltage Delivery Level)</b> | <b>Forecast</b> | <b>\$/kWh</b> |
|--|-----------------|---------------|
| SC1  | 1,038,135,953   | \$0.00000     |
| SC1C   | 27,747,168      | \$0.00000     |
| SC2ND  | 55,753,713      | \$0.00000     |
|  |                 | <b>\$/kW</b>  |
| SC2D   | 1,207,590       | \$0.00        |
| SC3-Secondary                                      | 941,241         | \$0.00        |
| SC3-Primary  | 370,570         | \$0.00        |
| SC3-Subtransmission/Transmission                   | 145,121         | \$0.00        |
| SC3A-Secondary/Primary                             | 264,360         | \$0.00        |
| SC3A-Sub Transmission                              | 357,425         | \$0.00        |
| SC3A-Transmission                                  | 1,193,881       | \$0.00        |
|  |                 | <b>\$/kWh</b> |
| Streetlighting                                     | 16,804,891      | \$0.00000     |

P.S.C. 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: JANUARY 30, 2020

STATEMENT TYPE: VDER-CR  
 WORKPAPERS FOR STATEMENT NO. 28  
 PAGE 4 OF 12

**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**Capacity Out of Market Value Cost Recovery**  
**Rule 40.3.2.2**

VDER Value Stack Capacity Market Value (Rule 40.3.2.1): \$ 2,443.78

Total VDER Value Stack Capacity Component Paid to Projects: \$ 1,891.86

**Total Capacity Out of Market Value Cost to Recover: \$ (551.92)**

**Cost Allocation**

| <b>Service Class (with Voltage Delivery Level)</b> | <b>Allocator</b> |                  |
|--|------------------|------------------|
| SC1  | 5.76%            | -\$31.79         |
| SC1C   | 0.00%            | \$0.00           |
| SC2ND  | 3.63%            | -\$20.03         |
| SC2D   | 3.49%            | -\$19.24         |
| SC3  | 86.15%           | -\$475.48        |
| SC3A   | 0.00%            | \$0.00           |
| Streetlighting                                     | 0.97%            | -\$5.37          |
| <b>Total</b>                                       | <b>100.00%</b>   | <b>-\$551.92</b> |

**Rate Design by Forecast**

| <b>Service Class (with Voltage Delivery Level)</b> | <b>Forecast</b> | <b>\$/kWh</b> |
|--|-----------------|---------------|
| SC1  | 1,038,135,953   | \$0.00000     |
| SC1C   | 27,747,168      | \$0.00000     |
| SC2ND  | 55,753,713      | \$0.00000     |
|  |                 | <b>\$/kW</b>  |
| SC2D   | 1,207,590       | \$0.00        |
| SC3  | 1,456,932       | \$0.00        |
| SC3A   | 1,815,667       | \$0.00        |
|  |                 | <b>\$/kWh</b> |
| Streetlighting                                     | 16,804,891      | \$0.00000     |

P.S.C. 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: JANUARY 30, 2020

STATEMENT TYPE: VDER-CR  
WORKPAPERS FOR STATEMENT NO. 28  
PAGE 5 OF 12

**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**Environmental Market Value Cost Recovery**  
**Rule 40.3.2.3**

NYSERDA Tier 1 REC rate in effect for the recovery month: \$ 0.02243 /kWh

Total of VDER Projects' Net Injections during recovery month: 1,155,912 kWh

**Total Environmental Market Value Cost to Recover: \$ 25,927.11**

The Environmental Market Value costs will be recovered annually as part of the  
Clean Energy Standard Supply charge annual reconconciliation as specified in Rule 46.3.5.

P.S.C. 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: JANUARY 30, 2020

STATEMENT TYPE: VDER-CR  
 WORKPAPERS FOR STATEMENT NO. 28  
 PAGE 6 OF 12

**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**Environmental Out of Market Value Cost Recovery**  
**Rule 40.3.2.4**

VDER Value Stack Environmental Market Value (Rule 40.3.2.3): \$ 25,927.11

Total VDER Value Stack Environmental Component Paid to Projects: \$ 29,565.26

**Total Environmental Out of Market Value Cost to Recover: \$ 3,638.15**

**Cost Allocation**

| <b>Service Class (with Voltage Delivery Level)</b> | <b>Allocator</b> |                   |
|--|------------------|-------------------|
| SC1  | 16.96%           | \$617.15          |
| SC1C   | 0.00%            | \$0.00            |
| SC2ND  | 2.20%            | \$80.05           |
| SC2D   | 5.74%            | \$209.01          |
| SC3  | 72.43%           | \$2,634.95        |
| SC3A   | 0.00%            | \$0.00            |
| Streetlighting                                     | 2.67%            | \$97.00           |
| <b>Total</b>                                       | <b>100.00%</b>   | <b>\$3,638.15</b> |

**Rate Design by Forecast**

| <b>Service Class (with Voltage Delivery Level)</b> | <b>Forecast</b> | <b>\$/kWh</b> |
|--|-----------------|---------------|
| SC1  | 1,038,135,953   | \$0.00000     |
| SC1C   | 27,747,168      | \$0.00000     |
| SC2ND  | 55,753,713      | \$0.00000     |
|  |                 | <b>\$/kW</b>  |
| SC2D   | 1,207,590       | \$0.00        |
| SC3  | 1,456,932       | \$0.00        |
| SC3A   | 1,815,667       | \$0.00        |
|  |                 | <b>\$/kWh</b> |
| Streetlighting                                     | 16,804,891      | \$0.00001     |

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 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: JANUARY 30, 2020

STATEMENT TYPE: VDER-CR  
 WORKPAPERS FOR STATEMENT NO. 28  
 PAGE 7 OF 12

**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**DRV Cost Recovery**  
**Rule 40.3.2.5**

Total VDER Value Stack DRV Component Paid to **Secondary/Primary** Projects: \$ 13,088.04

**Secondary/Primary Cost Allocation**

| <b>Service Class (with Voltage Delivery Level)</b> | <b>NCP Allocator</b> |                    |
|--|----------------------|--------------------|
| SC1  | 56.65%               | \$7,414.37         |
| SC1C   | 1.18%                | \$154.44           |
| SC2ND  | 3.30%                | \$431.91           |
| SC2D   | 18.62%               | \$2,436.99         |
| SC3-Secondary                                      | 18.51%               | \$2,422.60         |
| SC3-Primary  | 0.00%                | \$0.00             |
| SC3-Subtransmission/Transmission                   | 0.00%                | \$0.00             |
| SC3A-Secondary/Primary                             | 0.74%                | \$96.85            |
| SC3A-Sub Transmission                              | 0.00%                | \$0.00             |
| SC3A-Transmission                                  | 0.00%                | \$0.00             |
| Streetlighting                                     | 1.00%                | \$130.88           |
| <b>Total</b>                                       | <b>100.00%</b>       | <b>\$13,088.04</b> |

**Secondary/Primary Rate Design by Forecast**

| <b>Service Class (with Voltage Delivery Level)</b> | <b>Forecast</b> | <b><u>\$/kWh</u></b> |
|--|-----------------|----------------------|
| SC1  | 1,038,135,953   | \$0.00001            |
| SC1C   | 27,747,168      | \$0.00001            |
| SC2ND  | 55,753,713      | \$0.00001            |
|  |                 | <b><u>\$/kW</u></b>  |
| SC2D   | 1,207,590       | \$0.00               |
| SC3-Secondary                                      | 941,241         | \$0.00               |
| SC3-Primary  | 370,570         | \$0.00               |
| SC3-Subtransmission/Transmission                   | 145,121         | \$0.00               |
| SC3A-Secondary/Primary                             | 264,360         | \$0.00               |
| SC3A-Sub Transmission                              | 357,425         | \$0.00               |
| SC3A-Transmission                                  | 1,193,881       | \$0.00               |
|  |                 | <b><u>\$/kWh</u></b> |
| Streetlighting                                     | 16,804,891      | \$0.00001            |

P.S.C. 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: JANUARY 30, 2020

STATEMENT TYPE: VDER-CR  
 WORKPAPERS FOR STATEMENT NO. 28  
 PAGE 8 OF 12

**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**DRV Cost Recovery**  
**Rule 40.3.2.5**

Total VDER Value Stack DRV Component Paid to **Subtransmission/Transmission** Projects: \$ -

**Subtransmission/Transmission Cost Allocation**

| <b>Service Class (with Voltage Delivery Level)</b> | <b>1CP Allocator</b> |               |
|--|----------------------|---------------|
| SC1  | 40.99%               | \$0.00        |
| SC1C   | 0.81%                | \$0.00        |
| SC2ND  | 2.54%                | \$0.00        |
| SC2D   | 14.46%               | \$0.00        |
| SC3-Secondary                                      | 13.34%               | \$0.00        |
| SC3-Primary  | 5.15%                | \$0.00        |
| SC3-Subtransmission/Transmission                   | 1.65%                | \$0.00        |
| SC3A-Secondary/Primary                             | 2.98%                | \$0.00        |
| SC3A-Sub Transmission                              | 3.75%                | \$0.00        |
| SC3A-Transmission                                  | 14.31%               | \$0.00        |
| Streetlighting                                     | 0.02%                | \$0.00        |
| <b>Total</b>                                       | <b>100.00%</b>       | <b>\$0.00</b> |

**Subtransmission/Transmission Rate Design by Forecast**

| <b>Service Class (with Voltage Delivery Level)</b> | <b>Forecast</b> | <b>\$/kWh</b> |
|--|-----------------|---------------|
| SC1  | 1,038,135,953   | \$0.00000     |
| SC1C   | 27,747,168      | \$0.00000     |
| SC2ND  | 55,753,713      | \$0.00000     |
|  |                 | <b>\$/kW</b>  |
| SC2D   | 1,207,590       | \$0.00        |
| SC3-Secondary                                      | 941,241         | \$0.00        |
| SC3-Primary  | 370,570         | \$0.00        |
| SC3-Subtransmission/Transmission                   | 145,121         | \$0.00        |
| SC3A-Secondary/Primary                             | 264,360         | \$0.00        |
| SC3A-Sub Transmission                              | 357,425         | \$0.00        |
| SC3A-Transmission                                  | 1,193,881       | \$0.00        |
|  |                 | <b>\$/kWh</b> |
| Streetlighting                                     | 16,804,891      | \$0.00000     |



P.S.C. 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: JANUARY 30, 2020

STATEMENT TYPE: VDER-CR  
 WORKPAPERS FOR STATEMENT NO. 28  
 PAGE 9 OF 12

**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**LSRV Cost Recovery**  
**Rule 40.3.2.6**

Total VDER Value Stack LSRV Component Paid to **Secondary/Primary** Projects: \$ 45.56

**Secondary/Primary Cost Allocation**

| <b>Service Class (with Voltage Delivery Level)</b> | <b>NCP Allocator</b> |                |
|--|----------------------|----------------|
| SC1  | 56.65%               | \$25.81        |
| SC1C   | 1.18%                | \$0.54         |
| SC2ND  | 3.30%                | \$1.50         |
| SC2D   | 18.62%               | \$8.48         |
| SC3-Secondary                                      | 18.51%               | \$8.43         |
| SC3-Primary  | 0.00%                | \$0.00         |
| SC3-Subtransmission/Transmission                   | 0.00%                | \$0.00         |
| SC3A-Secondary/Primary                             | 0.74%                | \$0.34         |
| SC3A-Sub Transmission                              | 0.00%                | \$0.00         |
| SC3A-Transmission                                  | 0.00%                | \$0.00         |
| Streetlighting                                     | 1.00%                | \$0.46         |
| <b>Total</b>                                       | <b>100.00%</b>       | <b>\$45.56</b> |

**Secondary/Primary Rate Design by Forecast**

| <b>Service Class (with Voltage Delivery Level)</b> | <b>Forecast</b> | <b>\$/kWh</b> |
|--|-----------------|---------------|
| SC1  | 1,038,135,953   | \$0.00000     |
| SC1C   | 27,747,168      | \$0.00000     |
| SC2ND  | 55,753,713      | \$0.00000     |
|  |                 | <b>\$/kW</b>  |
| SC2D   | 1,207,590       | \$0.00        |
| SC3-Secondary                                      | 941,241         | \$0.00        |
| SC3-Primary  | 370,570         | \$0.00        |
| SC3-Subtransmission/Transmission                   | 145,121         | \$0.00        |
| SC3A-Secondary/Primary                             | 264,360         | \$0.00        |
| SC3A-Sub Transmission                              | 357,425         | \$0.00        |
| SC3A-Transmission                                  | 1,193,881       | \$0.00        |
|  |                 | <b>\$/kWh</b> |
| Streetlighting                                     | 16,804,891      | \$0.00000     |

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 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: JANUARY 30, 2020

STATEMENT TYPE: VDER-CR  
 WORKPAPERS FOR STATEMENT NO. 28  
 PAGE 10 OF 12

**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**LSRV Cost Recovery**  
**Rule 40.3.2.6**

Total VDER Value Stack LSRV Component Paid to **Subtransmission/Transmission** Projects: \$ -

**Subtransmission/Transmission Cost Allocation**

| <b>Service Class (with Voltage Delivery Level)</b> | <b>1CP Allocator</b> |               |
|--|----------------------|---------------|
| SC1  | 40.99%               | \$0.00        |
| SC1C   | 0.81%                | \$0.00        |
| SC2ND  | 2.54%                | \$0.00        |
| SC2D   | 14.46%               | \$0.00        |
| SC3-Secondary                                      | 13.34%               | \$0.00        |
| SC3-Primary  | 5.15%                | \$0.00        |
| SC3-Subtransmission/Transmission                   | 1.65%                | \$0.00        |
| SC3A-Secondary/Primary                             | 2.98%                | \$0.00        |
| SC3A-Sub Transmission                              | 3.75%                | \$0.00        |
| SC3A-Transmission                                  | 14.31%               | \$0.00        |
| Streetlighting                                     | 0.02%                | \$0.00        |
| <b>Total</b>                                       | <b>100.00%</b>       | <b>\$0.00</b> |

**Subtransmission/Transmission Rate Design by Forecast**

| <b>Service Class (with Voltage Delivery Level)</b> | <b>Forecast</b> | <b>\$/kWh</b> |
|--|-----------------|---------------|
| SC1  | 1,038,135,953   | \$0.00000     |
| SC1C   | 27,747,168      | \$0.00000     |
| SC2ND  | 55,753,713      | \$0.00000     |
|  |                 | <b>\$/kW</b>  |
| SC2D   | 1,207,590       | \$0.00        |
| SC3-Secondary                                      | 941,241         | \$0.00        |
| SC3-Primary  | 370,570         | \$0.00        |
| SC3-Subtransmission/Transmission                   | 145,121         | \$0.00        |
| SC3A-Secondary/Primary                             | 264,360         | \$0.00        |
| SC3A-Sub Transmission                              | 357,425         | \$0.00        |
| SC3A-Transmission                                  | 1,193,881       | \$0.00        |
|  |                 | <b>\$/kWh</b> |
| Streetlighting                                     | 16,804,891      | \$0.00000     |

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 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: JANUARY 30, 2020

STATEMENT TYPE: VDER-CR  
 WORKPAPERS FOR STATEMENT NO. 28  
 PAGE 11 OF 12

**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**MTC Cost Recovery**  
**Rule 40.3.2.7**

Total VDER Value Stack MTC Component Paid to Projects: \$ 4,629.13

**Cost Allocation**

| <b>Service Class (with Voltage Delivery Level)</b> | <b><u>Allocator</u></b> |                   |
|--|-------------------------|-------------------|
| SC1  | 99.97%                  | \$4,627.96        |
| SC1C   | 0.00%                   | \$0.00            |
| SC2ND  | 0.03%                   | \$1.17            |
| <b>Total</b>                                       | <b>100.00%</b>          | <b>\$4,629.13</b> |

**Rate Design by Forecast**

| <b>Service Class (with Voltage Delivery Level)</b> | <b><u>Forecast</u></b> | <b><u>\$/kWh</u></b> |
|--|------------------------|----------------------|
| SC1  | 1,038,135,953          | \$0.00000            |
| SC1C   | 27,747,168             | \$0.00000            |
| SC2ND  | 55,753,713             | \$0.00000            |

P.S.C. 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: JANUARY 30, 2020

STATEMENT TYPE: VDER-CR  
 WORKPAPERS FOR STATEMENT NO. 28  
 PAGE 12 OF 12

**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**Community Credit Cost Recovery**  
**Rule 40.3.2.7**

Total VDER Value Stack Community Credit Component Paid to Projects: \$ 465.85

**Cost Allocation**

| <b>Service Class (with Voltage Delivery Level)</b> | <b>Allocator</b> |                 |
|--|------------------|-----------------|
| SC1  | 91.09%           | \$424.34        |
| SC1C   | 0.00%            | \$0.00          |
| SC2ND  | 8.83%            | \$41.15         |
| SC2D   | 0.08%            | \$0.36          |
| SC3-Secondary                                      | 0.00%            | \$0.00          |
| SC3-Primary  | 0.00%            | \$0.00          |
| SC3-Subtransmission/Transmission                   | 0.00%            | \$0.00          |
| SC3A-Secondary/Primary                             | 0.00%            | \$0.00          |
| SC3A-Sub Transmission                              | 0.00%            | \$0.00          |
| SC3A-Transmission                                  | 0.00%            | \$0.00          |
| <b>Total</b>                                       | <b>100.00%</b>   | <b>\$465.85</b> |

**Rate Design by Forecast**

| <b>Service Class (with Voltage Delivery Level)</b> | <b>Forecast</b> | <b>\$/kWh</b> |
|--|-----------------|---------------|
| SC1  | 1,038,135,953   | \$0.00000     |
| SC1C   | 27,747,168      | \$0.00000     |
| SC2ND  | 55,753,713      | \$0.00000     |
|  |                 | <b>\$/kW</b>  |
| SC2D   | 1,207,590       | \$0.00        |
| SC3-Secondary                                      | 941,241         | \$0.00        |
| SC3-Primary  | 370,570         | \$0.00        |
| SC3-Subtransmission/Transmission                   | 145,121         | \$0.00        |
| SC3A-Secondary/Primary                             | 264,360         | \$0.00        |
| SC3A-Sub Transmission                              | 357,425         | \$0.00        |
| SC3A-Transmission                                  | 1,193,881       | \$0.00        |