

"Balance of the ESRM"
Rule 46.3.2 and Rule 46.3.3

Dollar Reconciliations		Cost Month September 2012
1 Rule 46.3.3.1 Actual Electricity Supply Costs		\$ 50,449,530.19
Actual Net Market Value (OMVC) of Self-Reconciling Mechanisms and Adjustments		
2 Actual OMVC of Legacy Hedges (excluding NYPA R&D Contracts)		\$ 2,999,696.23
3 Actual OMVC of NYPA R&D Contracts		\$ (364,904.97)
4 Actual OMVC of New Hedges		\$ 669,232.20
5 Subtotal		\$ 3,304,023.46
6 Actual Market Cost of Electricity Supply (Line 1 minus Line 5)		\$ 47,145,506.73
7 Rule 46.1 ESCost Revenue from All Commodity Customers¹		\$ 56,750,518.31
8 Balance of the ESRM (Line 6 minus Line 7)		\$ (9,605,011.58)
Rule 46.3.2 Mass Market Adjustment		
9 Forecast Commodity Rate (\$/kWh)	0.04492	
10 Actual Commodity Rate (\$/kWh)	0.04654	
11 Actual Hedged S.C. 1 & S.C. 2ND Sales Volumes (kWh)	821,369,564	
12 Mass Market Adjustment (Line 10 minus Line 9, multiplied by Line 11)		\$ 1,330,618.69
13 Rule 46.3.3 Supply Service Adjustment (Line 8 minus Line 12)		\$ (10,935,630.27)
14 'Balance of the ESRM' plus Sales Reconciliation, calculated for September 2012 Billing		\$ 20,754,271.42
15 'Balance of the ESRM' Billed in September 2012 ²		\$ 21,047,849.94
16 Balance of the ESRM Sales Reconciliation for November 2012 billing (Line 14 minus Line 15)		\$ (293,578.52)
Rate Calculations		Billing Month November 2012
17 Forecast Total Commodity Sales for Billing Month (kWh)		988,897,333
18 Supply Service Adjustment factor for all Commodity Customers (Line 13/ Line 17)		(0.011058)
19 Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh)		635,722,542
20 Mass Market Adjustment factor (Line 12/ Line 19)		0.002093
21 Balance of the ESRM Reconciliation Factor (Line 16/ Line 17)		(0.000297)
Balance of the ESRM Rates (\$/kWh)		
22 Unhedged & MHP customers (Line 18 + Line 21)		(0.011355)
23 SC1 & SC2-ND Customers (Line 18 + Line 20 + Line 21)		(0.009262)

Notes

(1) ESCost billed revenue includes a \$1,413,075.15 correction, which is calculated in Attachment 2.

(2) 'Balance of the ESRM' billed revenue includes a \$10,953.71 correction, which is calculated in Attachment 2.

New Hedge Adjustment
Rule 46.3.1

	<u>September 2012</u>	<u>November 2012</u>
1 Forecast Net Market Value (OMVC) of New Hedges		\$ 721,134.17
2 Actual Net Market Value (OMVC) of New Hedges	\$ 669,232.20	
3 Prior New Hedge Adjustment reconciliation calculated for September 2012 Billing	<u>\$ (3,725,842.50)</u>	
4 Intended Billing (Line 2 + Line 3)	<u>\$ (3,056,610.30)</u>	
5 New Hedge Adjustment Billed Revenue ¹	\$ (2,508,470.57)	
6 Reconciliation of Billed Revenue (Line 4 - Line 5)		<u>\$ (548,139.73)</u>
7 New Hedge Adjustment for November 2012 Billing (Line 1 + Line 6)		\$ 172,994.44
<u>Rate Calculation</u>		<u>Billing Month</u>
		<u>November 2012</u>
8 Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh)		635,722,542
9 New Hedge Adjustment (Line 7/ Line 8)		\$ 0.000272

Notes

(1) New Hedge Adjustment billed revenue includes a (\$79.84) correction, which is calculated in Attachment 2.

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

	<u>September 2012</u>	<u>November 2012</u>
1 Forecast Net Market Value (OMVC) of Legacy Hedges		\$ 5,817,618
2 Scheduled Nine Mile 2 RSA Credit		\$ -
3 Actual Net Market Value (OMVC) of Legacy Hedges	\$ 2,999,696.23	
4 Nine Mile 2 RSA Credit	\$ -	
5 Prior LTC reconciliation calculated for September 2012 Billing	<u>\$ (951,028.64)</u>	
6 Intended Billing (Line 3 + Line 4 + Line 5)	<u>\$ 2,048,667.59</u>	
7 Legacy Transition Charge Billed Revenue ¹	\$ 2,982,452.23	
8 Reconciliation of Billed Revenue (Line 6 - Line 7)		<u>\$ (933,784.64)</u>
9 Legacy Transition Charge for November 2012 Billing (Line 1 + Line 2 + Line 8)		\$ 4,883,833
<u>Rate Calculation</u>		<u>Billing Month</u> <u>November 2012</u>
10 Forecast Total Delivery Sales in Billing Month (kWh) *		2,283,051,068
11 Legacy Transition Charge (Line 7/ Line 8)		\$ 0.002139

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

Notes

(1) Legacy Transition Charge billed revenue includes a \$367,856.80 correction, which is calculated in Attachment 2.

NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: OCTOBER 29, 2012

STATEMENT TYPE: SC
WORKPAPER FOR STATEMENT NO. 11

Attachment 1

Page 4 of 5

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 2012	November 2012
1	Forecast Net Market Value (OMVC) of NYPA R&D Contracts		\$ (76,432.25)
2	Actual Net Market Value (OMVC) of NYPA R&D Contracts	\$ (364,904.97)	
3	Prior NYPA R&D reconciliation calculated for September 2012 Billing	\$ (229,873.53)	
4	Intended Billing (Line 2 + Line 3)	\$ (594,778.50)	
5	NYPA Benefit (R&D Contracts) Billed Revenue ¹	\$ (569,525.93)	
6	Reconciliation of Billed Revenue (Line 4 - Line 5)		\$ (25,252.57)
7	NYPA Benefit (R&D Contracts) for November 2012 Billing (Line 1 + Line 6)		\$ (101,684.82)
Rate Calculation			Billing Month November 2012
8	Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh)		817,987,190
9	NYPA Benefit (R&D Contracts) rate (Line 7/ Line 8)		\$ (0.000124)

RECHARGE NY RESIDENTIAL CONSUMER DISCOUNT (RCD) PAYMENT		September 2012	November 2012
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 2012 Billing	\$ 367,056.86	
13	Intended Billing (Line 11 + Line 12)	\$ (3,094,610.14)	
14	NYPA Benefit (RCD) Billed Revenue ²	\$ (3,315,875.31)	
15	Reconciliation of Billed Revenue (Line 13 - Line 14)		\$ 221,265.17
16	NYPA Benefit (RCD) for November 2012 Billing (Line 10 + Line 15)		\$ (3,240,401.83)
Rate Calculation			Billing Month November 2012
17	Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh)		817,987,190
18	NYPA Benefit (RCD) rate (Line 16/ Line 17)		\$ (0.003961)

Notes

- (1) NYPA Benefit (R&D Contracts) billed revenue includes a (\$19.65) correction, which is calculated in Attachment 2.
 (2) NYPA Benefit (RCD) billed revenue includes a (\$2,357.55) correction, which is calculated in Attachment 2.