

**"Balance of the ESRM"
Rule 46.3.2 and Rule 46.3.3**

<u>Dollar Reconciliations</u>	<u>Cost Month August 2012</u>
1 Rule 46.3.3.1 Actual Electricity Supply Costs	\$ 67,849,707.84
Actual Net Market Value (OMVC) of Self-Reconciling Mechanisms and Adjustments	
2 Actual OMVC of Legacy Hedges (excluding NYPA R&D Contracts)	\$ 2,372,097.49
3 Actual OMVC of NYPA R&D Contracts	\$ (317,439.08)
4 Actual OMVC of New Hedges	\$ 635,358.30
5 Subtotal	\$ 2,690,016.71
6 Actual Market Cost of Electricity Supply (Line 1 minus Line 5)	\$ 65,159,691.13
7 Rule 46.1 ESCost Revenue from All Commodity Customers	\$ 72,438,706.51
8 Balance of the ESRM (Line 6 minus Line 7)	\$ (7,279,015.38)
Rule 46.3.2 Mass Market Adjustment	
9 Forecast Commodity Rate (\$/kWh)	0.05189
10 Actual Commodity Rate (\$/kWh)	0.04818
11 Actual Hedged S.C. 1 & S.C. 2ND Sales Volumes (kWh)	956,604,151
12 Mass Market Adjustment (Line 10 minus Line 9, multiplied by Line 11)	\$ (3,549,001.40)
13 Rule 46.3.3 Supply Service Adjustment (Line 8 minus Line 12)	\$ (3,730,013.98)
14 'Balance of the ESRM' plus Sales Reconciliation, calculated for August 2012 Billing	\$ 12,298,000.88
15 'Balance of the ESRM' Billed in August 2012	\$ 14,970,635.84
16 Balance of the ESRM Sales Reconciliation for October 2012 billing (Line 14 minus Line 15)	\$ (2,672,634.96)
Rate Calculations	
17 Forecast Total Commodity Sales for Billing Month (kWh)	1,002,100,514
18 Supply Service Adjustment factor for all Commodity Customers (Line 13/ Line 17)	(0.003722)
19 Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh)	648,814,850
20 Mass Market Adjustment factor (Line 12/ Line 19)	(0.005470)
21 Balance of the ESRM Reconciliation Factor (Line 16/ Line 17)	(0.002667)
Balance of the ESRM Rates (\$/kWh)	
22 Unhedged & MHP customers (Line 18 + Line 21)	(0.006389)
23 SC1 & SC2-ND Customers (Line 18 + Line 20 + Line 21)	(0.011859)

New Hedge Adjustment
Rule 46.3.1

	<u>August 2012</u>	<u>October 2012</u>
1 Forecast Net Market Value (OMVC) of New Hedges		\$ 1,290,448.00
2 Actual Net Market Value (OMVC) of New Hedges	\$ 635,358.30	
3 Prior New Hedge Adjustment reconciliation calculated for August 2012 Billing	<u>\$ (1,203,527.09)</u>	
4 Intended Billing (Line 2 + Line 3)	\$ (568,168.79)	
5 New Hedge Adjustment Billed Revenue	\$ (2,775,106.29)	
6 Reconciliation of Billed Revenue (Line 4 - Line 5)		<u>\$ 2,206,937.50</u>
7 New Hedge Adjustment for October 2012 Billing (Line 1 + Line 6)		\$ 3,497,385.50
		Billing Month
		October 2012
8 Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh)		648,814,850
9 New Hedge Adjustment (Line 7/ Line 8)		\$ 0.005390

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

	<u>August 2012</u>	<u>October 2012</u>
1 Forecast Net Market Value (OMVC) of Legacy Hedges		\$ 5,083,347
2 Scheduled Nine Mile 2 RSA Credit		\$ -
3 Actual Net Market Value (OMVC) of Legacy Hedges	\$ 2,372,097.49	
4 Nine Mile 2 RSA Credit	\$ -	
5 Prior LTC reconciliation calculated for August 2012 Billing	<u>\$ (980,934.07)</u>	
6 Intended Billing (Line 3 + Line 4 + Line 5)	\$ 1,391,163.42	
7 Legacy Transition Charge Billed Revenue	\$ 2,099,666.10	
8 Reconciliation of Billed Revenue (Line 6 - Line 7)		<u>\$ (708,502.68)</u>
9 Legacy Transition Charge for October 2012 Billing (Line 1 + Line 2 + Line 8)		\$ 4,374,844

Rate Calculation

	<u>Billing Month</u> <u>October 2012</u>
10 Forecast Total Delivery Sales in Billing Month (kWh) *	2,293,261,690
11 Legacy Transition Charge (Line 7/ Line 8)	\$ 0.001908

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

**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 (A)	* RSA Collection from Constellation (B)	Credit of Prior Month Interest (C)	Credit One-Third RSA Collection (D)	Interest Credited In Advance (E)	TOTAL RSA CREDIT (F)	Ending Balance Before Interest (G)	Balance for Interest Calc (H)	Customer		Current Month Earned Interest (K)	Ending Balance (L)
									Deposit Rate (Annual) (I)	Deposit Rate (Monthly) (J)		
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	\$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	\$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	\$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	\$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	\$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	\$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	\$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	\$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	\$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	\$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	\$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	\$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	\$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	\$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	\$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	\$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	\$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	\$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	\$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	\$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		
	<u>August 2012</u>	<u>October 2012</u>
1 Forecast Net Market Value (OMVC) of NYPA R&D Contracts		\$ (363,896.43)
2 Actual Net Market Value (OMVC) of NYPA R&D Contracts	\$ (317,439.08)	
3 Prior NYPA R&D reconciliation calculated for August 2012 Billing	<u>\$ (65,726.66)</u>	
4 Intended Billing (Line 2 + Line 3)	\$ (383,165.74)	
5 NYPA Benefit (R&D Contracts) Billed Revenue	\$ (628,204.31)	
6 Reconciliation of Billed Revenue (Line 4 - Line 5)		<u>\$ 245,038.57</u>
7 NYPA Benefit (R&D Contracts) for October 2012 Billing (Line 1 + Line 6)		\$ (118,857.86)
		Billing Month
		October 2012
8 Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh)		835,299,994
9 NYPA Benefit (R&D Contracts) rate (Line 7/ Line 8)		\$ (0.000142)

RECHARGE NY RESIDENTIAL CONSUMER DISCOUNT (RCD) PAYMENT		
	<u>August 2012</u>	<u>October 2012</u>
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 August 2012 Billing	<u>\$ 292,072.88</u>	
13 Intended Billing (Line 11 + Line 12)	\$ (3,169,594.12)	
14 NYPA Benefit (RCD) Billed Revenue	\$ (3,674,708.96)	
15 Reconciliation of Billed Revenue (Line 13 - Line 14)		<u>\$ 505,114.84</u>
16 NYPA Benefit (RCD) for October 2012 Billing (Line 10 + Line 15)		\$ (2,956,552.16)
		Billing Month
		October 2012
17 Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh)		835,299,994
18 NYPA Benefit (RCD) rate (Line 16/ Line 17)		\$ (0.003540)