

"Balance of the ESRM"
Rule 46.3.2 and Rule 46.3.3

Dollar Reconciliations		Cost Month January 2012
1	Rule 46.3.3.1 Actual Electricity Supply Costs	\$ 63,158,045
Actual Net Market Value (OMVC) of Self-Reconciling Mechanisms and Adjustments		
2	Actual OMVC of Legacy Hedges (excluding NYPA R&D Contracts)	\$ 6,787,921
3	Actual OMVC of NYPA R&D Contracts	\$ (104,056)
4	Actual OMVC of New Hedges	\$ 2,369,950
5	Subtotal	\$ 9,053,814
6	Actual Market Cost of Electricity Supply (Line 1 minus Line 5)	\$ 54,104,231
7	Rule 46.1 ESCost Revenue from All Commodity Customers	\$ 54,679,191
8	Balance of the ESRM (Line 6 minus Line 7)	\$ (574,960)
Rule 46.3.2 Mass Market Adjustment		
9	Forecast Commodity Rate (\$/kWh) 0.04727	
10	Actual Commodity Rate (\$/kWh) 0.04167	
11	Actual Hedged S.C. 1 & S.C. 2ND Sales Volumes (kWh) BATCHES 3-20 ONLY 791,407,917	
12	Mass Market Adjustment (Line 10 minus Line 9, multiplied by Line 11)	\$ (4,431,884)
13	Rule 46.3.3 Supply Service Adjustment (Line 8 minus Line 12)	\$ 3,856,924
14	'Balance of the ESRM' plus Sales Reconciliation, calculated for January 2012 Billing	\$ -
15	'Balance of the ESRM' Billed in January 2012	\$ -
16	Balance of the ESRM Sales Reconciliation for March 2012 billing (Line 14 minus Line 15)	\$ -
Rate Calculations		Billing Month March 2012
17	Forecast Total Commodity Sales for Billing Month (kWh)	1,223,677,813
18	Supply Service Adjustment factor for all Commodity Customers (Line 13/ Line 17)	0.003152
19	Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh)	841,539,132
20	Mass Market Adjustment factor (Line 12/ Line 19)	(0.005266)
21	Balance of the ESRM Reconciliation Factor (Line 16/ Line 17)	-
Balance of the ESRM Rates (\$/kWh)		
22	Unhedged & MHP customers (Line 18 + Line 21)	0.003152
23	SC1 & SC2-ND Customers (Line 18 + Line 20 + Line 21)	(0.002114)

New Hedge Adjustment
Rule 46.3.1

	<u>January 2012</u>	<u>March 2012</u>
1 Forecast Net Market Value (OMVC) of New Hedges		\$ 4,750,488
2 Actual Net Market Value (OMVC) of New Hedges	\$ 2,369,950.00	
3 Prior New Hedge Adjustment reconciliation calculated for January 2012 Billing	\$ -	
4 Intended Billing (Line 2 + Line 3)	\$ 2,369,950.00	
5 New Hedge Adjustment Billed Revenue	\$ 1,365,867.97	
6 Reconciliation of Billed Revenue (Line 4 - Line 5)		\$ 1,004,082.03
7 New Hedge Adjustment for March 2012 Billing (Line 1 + Line 6)		\$ 5,754,570
<u>Rate Calculation</u>		<u>Billing Month</u> <u>March 2012</u>
8 Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh)		841,539,132
9 New Hedge Adjustment (Line 7/ Line 8)		\$ 0.006838

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

	<u>January 2012</u>	<u>March 2012</u>
1 Forecast Net Market Value (OMVC) of Legacy Hedges		\$ 7,967,474
2 Scheduled Nine Mile 2 RSA Credit		\$ -
3 Actual Net Market Value (OMVC) of Legacy Hedges	\$ 6,787,920.62	
4 Nine Mile 2 RSA Credit	\$ -	
5 Prior LTC reconciliation calculated for January 2012 Billing	\$ -	
6 Intended Billing (Line 3 + Line 4 + Line 5)	\$ 6,787,920.62	
7 Legacy Transition Charge Billed Revenue	\$ 4,236,647.66	
8 Reconciliation of Billed Revenue (Line 6 - Line 7)		\$ 2,551,272.96
9 Legacy Transition Charge for March 2012 Billing (Line 1 + Line 2 + Line 8)		\$ 10,518,747

<u>Rate Calculation</u>	<u>Billing Month</u> <u>March 2012</u>
10 Forecast Total Delivery Sales in Billing Month (kWh) *	2,546,486,818
11 Legacy Transition Charge (Line 7/ Line 8)	\$ 0.004131

* exclusive of NYPA and Empire Zone Rider loads

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

NYPA R&D CONTRACTS		January 2012	March 2012
1	Forecast Net Market Value (OMVC) of NYPA R&D Contracts		\$ 166,575
2	Actual Net Market Value (OMVC) of NYPA R&D Contracts	\$ (104,056)	
3	Prior NYPA R&D reconciliation calculated for January 2012 Billing	\$ -	
4	Intended Billing (Line 2 + Line 3)	\$ (104,056)	
5	NYPA Benefit (R&D Contracts) Billed Revenue	\$ (66,676)	
6	Reconciliation of Billed Revenue (Line 4 - Line 5)		\$ (37,381)
7	NYPA Benefit (R&D Contracts) for March 2012 Billing (Line 1 + Line 6)		\$ 129,194
Rate Calculation			Billing Month March 2012
8	Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh)		1,041,066,757
9	NYPA Benefit (R&D Contracts) rate (Line 7/ Line 8)		\$ 0.000124

RECHARGE NY RESIDENTIAL CONSUMER DISCOUNT (RCD) PAYMENT		January 2012	March 2012
10	RCD Payment for upcoming billing month		\$ (3,461,667)
11	Actual RCD Payment Booked	\$ (3,461,667)	
12	Prior RCD Payment reconciliation calculated for January 2012 Billing	\$ -	
13	Intended Billing (Line 11 + Line 12)	\$ (3,461,667)	
14	NYPA Benefit (RCD) Billed Revenue	\$ (2,677,938)	
15	Reconciliation of Billed Revenue (Line 13 - Line 14)		\$ (783,729)
16	NYPA Benefit (RCD) for March 2012 Billing (Line 10 + Line 15)		\$ (4,245,396)
Rate Calculation			Billing Month March 2012
17	Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh)		1,041,066,757
18	NYPA Benefit (RCD) rate (Line 16/ Line 17)		\$ (0.004078)