

PSC NO: 220 ELECTRICITY
 NIAGARA MOHAWK POWER CORPORATION
 INITIAL EFFECTIVE DATE: JANUARY 1, 2010
 STAMPS: Issued in Compliance with Order of the PSC in Case No. 01-M-0075 Issued 12/21/09

LEAF: 149
 REVISION: 2
 SUPERSEDING REVISION: 1

GENERAL INFORMATION

29. DELIVERY CHARGE ADJUSTMENT (Continued)

29.2.2 Amortized buyout or buy-down costs of IPP contracts provided that such monthly amortization schedule is established at the time of the buyout or buydown and is equal to the projected monthly purchased power savings until such time that either (I) the net present value of the amortization schedule inclusive of return at the Company cost of capital is equal to the buyout or buy-down cost or (II) the remaining amortization is included in any applicable CTC reset, minus

29.2.3 The over-market variable costs on Table 29.2.3 for the respective cost month, minus

TABLE 29.2.3
 (\$000)

(Amounts exclude purchase for resale programs' costs and NYPA residential costs)

January 2010	(\$3,696)	January 2011	(\$4,250)
February	(2,468)	February	(3,096)
March	(1,803)	March	(3,935)
April	(1,799)	April	(2,399)
May	(1,130)	May	(988)
June	(1,909)	June	(3,081)
July	(1,278)	July	(3,637)
August	(2,525)	August	(5,316)
September	(871)	September	(1,757)
October	(4,475)	October	(1,244)
November	(2,993)	November	573
December 2010	(\$ 987)	December 2011	\$1,633

29.2.4 The net sum of (1) Rule 46, less Ancillary Services and NTAC charged plus (2) Rule 29.1 revenues, which may be negative, from customers for the respective cost month inclusive of all applicable service classes, minus (3) the product of the actual NYPA Rural and Domestic ("R&D") residential Niagara hydro purchase supplies, times the market value of the NYPA R&D as measured by the product of (i) the NYPA Rural and Domestic ("R&D") residential hydro purchase supplies, in kWh times (ii) the forecast energy and capacity market price used to establish the over-market variable cost, minus

29.2.5 Commodity revenues received from SC-3A customers served under Option 2, minus

29.2.6 Wholesale sales revenues associated with wholesale sales by Niagara Mohawk during the respective cost month, plus or minus

29.2.7 Costs deferred from previous months pursuant to Rule 29.2.10.

Issued by Thomas B. King, President, Syracuse, NY