

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

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GENERAL INFORMATION

29. DELIVERY CHARGE ADJUSTMENT

29.1 The purpose of the Delivery Charge Adjustment (DCA) is to reconcile the Company's actual Electricity Supply Cost with the forecast Electricity Supply Cost upon which the Competitive Transition Charge (CTC)(s) was established, and adjusted for the Company's unhedged energy, capacity, and ancillary service cost and credits further described in Rule 29.2. The reconciliation shall consist of (i) the volumetric price of the forecast Electricity Supply Cost exclusive of Ancillary Services and NTAC which the CTC was based, minus (ii) the volumetric price of the actual Electricity Supply Cost which the customer is subject to at the time of billing exclusive of Ancillary Services and NTAC times (iii) the hedged percentage factor in Table 29.1:

Table 29.1 Hedged Percentage Factor

<u>Service Class</u>	<u>2001,2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>		
SC-1,1C	0.95	0.95	0.95	0.95		
SC-2ND	0.95	0.95	0.95	0.90		
SC-2D	0.95	0.90	0.85	0.80		
PSC 214	0.95	0.90	0.85	0.80		
SC-3, SC-4, SC5 less than 2 MW	0.80	0.50	0.20	0.00		
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
SC-1, 1C	0.90	0.90	0.90	0.81	0.70	0.70
SC-2ND	0.90	0.90	0.90	0.72	0.55	0.55
SC-2D	0.80	0.80	0.45	0.00	0.00	0.00
PSC 214	0.80	0.80	0.00	0.00	0.00	0.00
SC-3, SC-4, SC5 less than 2 MW	0.00	0.00	0.00	0.00	0.00	0.00

29.2 The DCA shall additionally be adjusted for deviations between actual costs for unhedged energy and capacity for purchased power costs applicable to periods following August 31, 2001, and ESS revenues realized by the Company. For each calendar month, the adjustment to the DCA hereafter referred to as the Commodity Adjustment Charge (CAC), shall include a calculation of:

29.2.1 Total purchased power costs exclusive of (i) Ancillary Services and NTAC (ii) New York Power Authority Power For Jobs, (iii) Economic Development Power, (iv) Expansion Power, (v) Replacement Power, (vi) Rural and Domestic residential hydro supplies each of which are scheduled as bilateral transactions in the NYISO to such customers, inclusive of (vii) NYISO energy true-ups (for periods post August 31, 2001), (viii) NYPA Blenheim Gilboa, (ix) power supply and applicable hedging contracts, (x) NYISO purchases, (xi) Transmission Usage Charges, (xii) applicable TCC costs net of any associated congestion rents from those purchased TCCs, plus

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