

PSC NO: 220 ELECTRICITY
 NIAGARA MOHAWK POWER CORPORATION
 INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 411
 REVISION: 0
 SUPERSEDING REVISION:

SERVICE CLASSIFICATION NO. 6 (Continued)

RATE TO BE PAID BY COMPANY:

Energy Only payment for QF's:

$$\sum_{i=1}^n (\text{Real Time LBMP}_i * Q_i) - \text{Incurred Cost}_m$$

Energy and Capacity payment for QF's:

$$\sum_{i=1}^n (\text{Real Time LBMP}_i * Q_i) - \text{Incurred Cost}_m + (\text{LBMCP}_m * \text{Capacity}_m)$$

Whereby:

Real Time LBMP_i is the Real Time LBMP in \$/MWh pursuant to Rule 1.63 for each generator bus. In the event the NYISO does not post a price for the generator bus, the electrically nearest generator bus price shall be used. In the event the nearest electrical generator bus cannot be defined, at the discretion of the Company, the Load Zone Real Time LBMP shall be used;

LBMCP_m is defined in Rule 1.64 for the respective calendar month. In the event no electricity is provided for the respective month the payment shall be zero.

Capacity_m is the Unforced Capacity recognized by the NYISO as applicable to capacity requirements for the respective calendar month, as set forth in the NYISO Tariff, in kW. Unforced Capacity is the dependable maximum net capability times one minus the EFORD value assigned to a QF; (DMNC * (1 - EFORD)). EFORD is the demand Equivalent Forced Outage Rate as calculated by the NYISO.

Q_i is the Energy quantity delivered, in kWh per hour, to the Delivery Point

i is the respective hour for the month;

n is the number of hours in the month;

Incurred cost is:

(1) any penalties assessed by the NYISO for units off base point, i.e. Automatic Generation Control penalties.

m is the respective month.

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