

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: FEBRUARY 1, 2011

LEAF: 263.6
REVISION: 0
SUPERSEDING REVISION:

STAMPS: Issued in Compliance with Order of the PSC in Case No. 10-E-0050 Issued January 24, 2011

GENERAL INFORMATION

58. TEMPORARY RATE ADJUSTMENT MECHANISM ("TRAM") (continued)

58.2 As a result of conducting its audit and review of the Company's service company costs identified above in Rule 58.1, should the Commission determine that any portion of the annual \$50 million in temporary revenue requirement is not to be included in rates charged to customers, the Company shall design credits to its standard tariff rates and charges to reduce those rates and charges for the annual amount which the Commission determines should not be recovered by the Company. The Company shall allocate such amount using the labor allocator contained in its last general rate case in Case 10-E-0050 to the extent it has not submitted a rate case request by the time of the Commission's determination.

58.3 Should the provisions of Rule 58.2 above be invoked, the Company shall calculate the amount of revenue billed to customers from the period beginning January 1, 2011 through the effective date of the rate reduction pursuant to Rule 58.2 and shall calculate credit factors, either on a kWh or kW basis, associated with billing at the full level of the temporary revenue requirement. The Company shall refund this amount pursuant to this mechanism. The following customers are exempt from the TRAM: 1) Existing NYPA allocations; 2) load served under an EZR; and 3) SC11 and SC12 customers in accordance with their individual contract.

58.4 Should the provisions of Rule 58.2 above be invoked, the Company shall adjust its annual target revenue pursuant to Rule 57, Revenue Decoupling Mechanism, accordingly.

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