

PSC NO: 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: JANUARY 1, 2012

LEAF: 227  
REVISION: 1  
SUPERSEDING REVISION: 0

#### GENERAL INFORMATION

#### 45. NUCLEAR RETIREMENT ADJUSTMENT CLAUSE (Continued)

##### 45.3 Recovery of RPCs

###### 45.3.1 General Rule

The Company shall calculate RPCs on a monthly basis and apply them on a volumetric basis (per kWh) to all customers that pay CTCs under its Tariffs P.S.C. No. 220 Electricity and P.S.C. No. 214 Outdoor Lighting (whether the CTC is billed on a bundled or unbundled basis) through temporary rates which shall be subject to refund, but shall not recover such costs from customers served under individually negotiated rate agreements under rate schedules S.C. No. 11 or S.C. No. 12 of its Tariff P.S.C. No. 220 Electricity unless such individually negotiated rate agreements specifically authorize the recovery of such nuclear RPCs. These rates shall become permanent upon a finding by the Commission that the retirement or abandonment of the nuclear plant in question was prudent and that the cost impacts of that action are justified.

###### 45.3.2 Special Rule for Customers Served Under Rate Schedule S.C. No. 3A

RPCs for customers receiving service under rate schedule S. C. No. 3A shall be deferred in years 1 through 3 of the term associated with the Settlement Agreement in PSC Case Nos. 94-E-0098 and 94-E-0099 and will be recovered from such customers in year 4 and beyond, subject to the price caps on service to such customers established in the Settlement Agreement previously mentioned.

##### 45.4 Revised Nuclear CTC and Unhedged Commodity Costs

Upon Commission approval of the retirement decision, the CTC for the nuclear plant shall be recalculated consistent with the intent (a) that unhedged commodity risk be shifted to customers who pay a floating CTC and (b) that the CTC for all customers who pay a fixed or floating CTC reflect revised nuclear costs, sunk costs and decommissioning costs (including rampdown and shutdown costs), and reduced operation and maintenance costs (including fuel cost savings).

#### 46. SUPPLY SERVICE CHARGES

Any capitalized terms herein shall use the Definitions within this PSC No. 220 Tariff and definitions within the NYISO Tariff filed April 30, 1999 (as amended from time to time). The supply service charges shall include the following:

46.1 Electricity Supply Cost (ESCost) – Applicable to all customers taking supply service from the Company, ESCost shall be defined by the following rules.

##### 46.1.1 ESCost for Service Classifications No. 1 and No. 2 (Non-Demand)

46.1.1.1 For each month, the forecasted LBMP in \$/kWh will be determined from available monthly forward trading on peak and off peak market prices prior to the forecast month; plus

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