

PSC NO: 220 ELECTRICITY
 NIAGARA MOHAWK POWER CORPORATION
 INITIAL EFFECTIVE DATE: SEPTEMBER 1, 2020
 STAMPS:

LEAF: 226.1
 REVISION: 1
 SUPERSEDING REVISION: 0

GENERAL INFORMATION

45. NON-WIRES ALTERNATIVES ("NWA") INCENTIVE MECHANISM SURCHARGE (Continued)

45.2.4 If an NWA project benefits only certain service classes, the cost allocation will be limited to the service classification benefitting from the NWA project.

45.3 The NWA surcharge will recover the NWA Costs of each NWA project not already recovered in base delivery rates, amortized over the individual contract period for each NWA project. Each individual contract period will begin when the NWA project's costs are realized and/or the first payment is made by the Company. Any unamortized costs that are not yet collected at the time the Company next sets its electric delivery base rates, the unamortized costs of each NWA project will be incorporated into base rates at that time, inclusive of carrying charges. Carrying charges for the recovery of NWA project costs will be at the Company's pre-tax weighted average cost of capital ("pre-tax WACC").

45.4 After the NWA Costs are allocated in accordance with Rule 45.2 above for each NWA project, the NWA Costs will be collectively recovered through the NWA Incentive Mechanism Surcharge, which will be provided in a rate statement filed with the New York State Public Service Commission on not less than three days' notice before the effective date.

45.5 The NWA Surcharge will be applicable to all customers in SC1, SC1C, SC2ND, SC2D, SC3, SC3A, SC4, SC7 and SC12 (in accordance with their individual contracts). The NWA Surcharge will be applicable to all NYPA deliveries (including ReCharge NY Load) and to all service classifications of PSC No. 214.

45.5.1 The NWA Surcharge is not applicable to Empire Zone and Excelsior Jobs Program qualifying load.

45.5.2 Once implemented, the NWA surcharge will be included in the delivery line item on customer's bills, either on a per kWh basis for non-demand classes and per kW basis on demand classes.

45.6 The NWA surcharge will be reconciled for any over/under collections monthly on a two-month lag basis.