

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

LEAF: 263.1.1  
 REVISION: 0  
 SUPERSEDING REVISION:

#### GENERAL INFORMATION

#### 56. ENERGY STORAGE SURCHARGE (Continued)

56.3 The ES Surcharge will recover the ES Costs less the ES Revenue, plus the Utility Incentive specified in Rule 56.2.4 (collectively, the “ES Recovery”) over the term of the energy storage procurement contract. Annual ES Recovery will be recovered from customers in the subsequent annual period, on a two-month lag basis following the annual period when the project costs are incurred by the Company, inclusive of interest at the applicable pre-tax weighted cost of capital rate in effect at the time, per the Company’s most recent electric rate proceeding. The ES Surcharge will be reconciled for any over/under collections annually, inclusive of interest at the pre-tax weighted cost of capital rate in effect at the time, per the Company’s most recent electric rate proceeding.

56.4 The ES Recovery will be allocated to service classifications based on the Company’s single coincident peak transmission demand allocator (“1CP”) per Rule 43.6.

56.5 After the ES Recovery is allocated in accordance with Rule 56.4 above for each project, the ES Recovery will be collectively recovered through the ES Surcharge, which will be provided in a rate statement filed with the PSC on not less than three days’ notice before the effective date.

56.6 The ES Surcharge will be applicable to all delivery customers in SC1, SC1C, SC2ND, SC2D, SC3, SC3A, SC4, SC7 and SC12 (in accordance with their individual contracts), all NYPA deliveries (including ReCharge NY Load), and to all service classifications of P.S.C. No. 214 – Electricity.

56.6.1 The ES Surcharge is not applicable to Empire Zone and Excelsior Jobs Program qualifying load.

56.6.2 Once implemented, the ES Surcharge will be included in the delivery line item on customers’ bills, either on a per kWh basis for non-demand classes or on a per kW basis for demand classes.