

PSC NO: 219 GAS

LEAF: 122.1

NIAGARA MOHAWK POWER CORPORATION

REVISION: 9

INITIAL EFFECTIVE DATE: 10/17/18

SUPERSEDING REVISION: 8

STAMPS: Issued in compliance with order in Case No. 17-G-0239 dated March 15, 2018.

GENERAL INFORMATION**31. ENERGY EFFICIENCY PROGRAM CHARGES:****31.1 System Benefits Charge:**

A System Benefits Charge (SBC) recovers costs associated with clean energy activities conducted by the New York State Energy Research and Development Authority (NYSERDA) implemented by the company. The SBC is collected from the following service classifications: 1, 2, 3, 5, 7 and 8.

Except for the SBC effective April 1, 2018, each SBC will be filed by the Company in the Statement of System Benefits Charge fifteen (15) days prior to its effective date. The SBC effective April 1, 2018 will be filed in compliance with the Commission's Order in Case No. 17-G-0239 and go into effect pursuant to such Order.

The statement will set forth the following SBC:

A. Clean Energy Fund (CEF) Surcharge Rate:

Beginning on March 1, 2016, the CEF surcharge rate collects funds associated with NYSERDA-run EEPS activities as well as over or under collections associated with company-run EEPS programs for the period prior to 2016. The surcharge rate will be calculated by dividing the necessary collections by the projected annual therm sales. Necessary collections will include:

1. Annual authorized collections for NYSERDA-run programs, plus or minus any under- or over-collections for prior years.
2. Any under- or over-collections for company-run EEPS programs.

31.2 Energy Efficiency Transition Implementation Plans (ETIP):

Beginning on April 1, 2018, the Company's gas energy efficiency costs (ETIP) will be recovered in the Company's base rates. Any over / under recovery of ETIP costs will be included in RDM reconciliations for service classifications 1, 2 and 7. All customers participating in the Excelsior Jobs Program pursuant to Rule 25 will be required to pay ETIP costs in addition to the EJP rates approved in each rate proceeding.

The Company will reconcile the actual gas ETIP revenues recovered from service classification 3, 5 and 8 to the amount included in rates over the term of the Rate Plan. At the end of March 2021, the Company will reconcile the difference, if any, and refund to or recover from customers the difference through Delivery Service Adjustments (adjusted for the Company's pre-tax WACC defined in Rule 1.1). The rate will appear on the Statement of Energy Efficiency Program Costs (ETIP) to be filed by May 15th 2021 to be effective June 1, 2021 applicable to service classification 3, 5 and 8.