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NIAGARA MOHAWK POWER CORPORATION REVISION: 7
INITIAL EFFECTIVE DATE: 03/01/16 SUPERSEDING REVISION: 6

STAMPS: Issued in compliance with Order in Case 14-M-0994 dated January 21, 2016 and Case 15-M-0252 dated

January 22, 2016

GENERAL INFORMATION

31. ENERGY EFFICIENCY PROGRAM CHARGES:

31.1 System Benefit Charge:

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

On an annual basis, the Statement of SBC will be filed on no less than 15 days' notice to become effective January 1st. The statement will set forth the following surcharge rates:

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.

B. Energy Efficiency (EE) Tracker Surcharge Rate:

The EE Tracker surcharge rate collects funds associated with company-run energy efficiency programs implemented beginning on January 1, 2016. The surcharge rate will be calculated by dividing the necessary collections by the projected sales. Necessary collections will include:

1. Annual authorized collections for company-run programs, plus or minus any under- or over-collections for prior years and minus any interest earned on prior year collections.

Issued By: Kenneth D. Daly, President, Syracuse, New York