

PSC NO: 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: APRIL 1, 2017  
STAMPS: Issued in Compliance with Order issued February 22, 2017 in Case 15-E-0302

LEAF: 229.4  
REVISION: 0  
SUPERSEDING REVISION:

#### GENERAL INFORMATION

#### 46. SUPPLY SERVICE CHARGES (Continued)

##### 46.3.5 Clean Energy Standard Supply ("CESS") Charge (Continued)

46.3.5.4 An annual reconciliation will be performed for the prior CESS revenue and CESS costs associated with the RES and ZEC procurements, plus any incremental costs or adjustments.

46.3.5.5 The CESS Charge will be comprised of the RES and ZEC annual charges, plus the CESS annual reconciliation. The CESS charge will be filed annually with the Public Service Commission and included as a monthly charge on the supply portion of the customer's bill.

46.4 A monthly Supply Service Charge Statement shall set forth the following rates each month: the forecast Rule 46.1.1 ESCost rates; the forecasted NYISO Capacity Spot Market price utilized in Rule 46.1.3.7; the LTC in Rule 46.2, the ESRM in Rule 46.3, and Rule 46.3.4 Supply Reconciliation Balance. A separate annual statement will set forth the CESS Charge in Rule 46.3.5. The Supply Service Charge Statement and the CESS Charge Statement will be filed with the Public Service Commission apart from this rate schedule on not less than three (3) business days' notice before the effective date.

46.5 The Clean Energy Standard Delivery ("CESD") charge will be applicable to all delivery customers including customers who have load served by NYPA. The CESD will be a per kWh charge on all energy delivered to the customer and will be set annually using forecasted costs.

##### 46.5.1 Costs to be recovered by the CESD consists of:

46.5.1.1 Tier 2 Renewables – The costs associated with the Clean Energy Standard Tier 2 Maintenance Renewables program, as invoiced by NYSERDA to the Company. The CESD annual rate will be based on a forecast of these costs as determined by NYSERDA and subject to reconciliation annually as provided herein.

46.5.1.2 Backstop Costs – The costs associated with any NYSERDA Backstop charges from the Clean Energy Standard program. Backstop costs invoiced by NYSERDA to the Company will be collected as part of the CESD charge in either the next annual CESD rate reconciliation, or in an interim adjustment to the CESD rate. Backstop Costs collected as part of an interim adjustment to the CESD rate may be collected over a period from one month to twelve months, at the Company's discretion, and will be subject to reconciliation as provided herein.

46.5.1.3 An annual reconciliation will be performed of the prior year's CESD revenue and costs including any incremental costs or adjustments.

46.5.1.4 The CESD annual charge will be calculated as the sum of the forecast Tier 2 Maintenance Renewables costs, plus any uncollected Backstop costs invoiced by NYSERDA to the Company, plus the annual reconciliation of prior CESD revenue and costs divided by the forecast delivery kWhs (including NYPA load).

46.5.1.5 The CESD charge will be filed annually, or on an interim basis per Rule 46.5.1.2, with the Public Service Commission and a monthly charge will be included in the delivery portion of a customer's bill.

Issued by Kenneth D. Daly, President, Syracuse, NY