

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 04/01/13
STAMPS: Issued in compliance with order in Case No. 12-G-0202 dated March 15, 2013

LEAF: 90.1
REVISION: 1
SUPERSEDING REVISION:

GENERAL INFORMATION

17. ADJUSTMENT OF RATES IN ACCORDANCE WITH CHANGES IN THE COST OF PURCHASED GAS: (continued)

17.1.5 LAUF Adjustment

17.1.5.1 The LAUF Adjustment is applied to the Annual Cost of Gas Surcharge or Refund for the SC Nos. 1, 2, 3, 12 and 13 sales customers per Rule 17.7 as : 1) a credit if actual system LAUF percentage exceeds the LAUF Target or 2) a surcharge if actual system LAUF percentage is less than the LAUF Target

17.1.5.2 Until August 31, 2013
The LAUF Adjustment is determined each 12-month period ending August 31st by: 1) subtracting the actual system LAUF percentage from the LAUF Target and then multiplying that percentage difference by: 2) the average per therm commodity cost of gas determined per Rule 17.1.5.4 and; 3) the metered sales of SC Nos. 1, 2, 3, 12 and 13 sales customers.

17.1.5.3 Effective August 31, 2014 and thereafter
The LAUF Adjustment is determined each 12-month period ending August 31st by: 1) subtracting the actual system LAUF percentage from the LAUF Target and then multiplying that percentage difference by: 2) the average per therm commodity cost of gas determined per Rule 17.1.5.4 by; 3) the metered sales of SC Nos. 1, 2, 3, 12 and 13 sales customers and SC Nos. 1MB, 2MB, 5, 7, 8, 12 MB, 12DB and 13MB transportation customers..

17.1.5.4 The average per therm commodity cost of gas is determined by taking: 1) the allowed gas expense determined per Rule 17.7.1.1 and subtracting; 2) the Demand Cost of Purchased Gas per Rule 17.3.6; and dividing the difference by; 3) the metered sales of SC Nos. 1, 2, 3, 12 and 13 sales customers

17.1.6 System Performance Adjustment (SPA)

17.1.6.1 Effective January 1, 2015 a SPA per therm rate will be applicable to the SC Nos. 1, 2, 3, 12 and 13 sales customers and the SC Nos. 1MB, 2MB, 5, 7, 8, 12MB, 12DB and 13MB transportation customers. The SPA per therm rate will be a credit if the actual system LAUF percentage is less than the LAUF Target or a surcharge if the actual system LAUF percentage exceeds the LAUF Target during the 12-month period ending the previous August.

17.1.6.2 The Total SPA Amount will be determined initially for the 12-month period ending August 31, 2014 and each subsequent 12-month period ending August 31st thereafter by multiplying: 1) the average per therm commodity cost of gas determined per Rule 17.1.5.4 by; 2) the metered sales of SC Nos. 1, 2, 3, 12 and 13 sales customers and SC Nos. 1MB, 2MB, 5, 7, 8, 12 MB, 12DB and 13MB transportation customers by; 3) the percentage difference determined by:

17.1.6.2.1 Subtracting the LAUF Target from actual system LAUF if actual system LAUF is within the Dead Band Upper Limit and Dead Band Lower Limit.

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