

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 07/01/14
STAMPS: Issued in compliance with order in Case No. 09-M-0311 dated June 18, 2014

LEAF: 122.2
REVISION: 9
SUPERSEDING REVISION: 8

GENERAL INFORMATION

32. REVENUE DECOUPLING MECHANISM:

- 32.1 For the 10-month period June 1, 2012 through March 31, 2013, Service Classification Nos. 1, 2 and 7 will be subject to a Revenue Decoupling Mechanism ("RDM") to reconcile actual delivery service revenues to allowed delivery service revenues.
- 32.1.1 Actual Delivery Service Revenues are defined as revenues from delivery rates adjusted for the Weather Normalization Adjustment, excluding Gross Receipts Taxes, Merchant Function Charge Revenue, Net Revenue Sharing Surcharge/Credit Revenue, Research and Development Surcharge Revenue, Economic Development discounts, System Benefits Charge Revenues, discounts and customer charges associated with the Low Income Program, Incremental State Assessment Surcharge/Credit, and all other applicable credits and surcharges for the 10-month period June 1, 2012 through March 31, 2013.
- 32.1.2 Allowed delivery service revenues are set in accordance with the methodology adopted in Case 08-G-0609 adjusted for the 10-month period June 1, 2012 through March 31, 2013.
- 32.1.3 The shortfall or excess will be refunded or surcharged to customers in each of the following groupings on a volumetric basis over the twelve month period commencing July 1, 2013:
1. SC 1 Residential Non-Heat and SC 1 Residential Heat
 2. SC 2 Residential
 3. SC 2 Commercial
 4. SC 2 Industrial
 5. SC 7 Low Volume Delivery Only Service
- 32.2 Commencing with the 12-month period beginning April 1, 2013 and each subsequent 12-month period beginning April 1st thereafter, Service Classifications Nos. 1, 2, and 7 will be subject to an RDM to reconcile actual delivery service revenues to allowed delivered service revenues.
- 32.2.1 Actual Delivery Service Revenues are defined as revenues from delivery rates adjusted for the Weather Normalization Adjustment, excluding Gross Receipts Taxes, Merchant Function Charge Revenue, Net Revenue Sharing Surcharge/Credit Revenue, Research and Development Surcharge Revenue, Empire Zone Rider discounts, Excelsior Jobs Program revenue, System Benefits Charge Revenues, discounts and customer charges associated with the Low Income Program, Incremental State Assessment Surcharge/Credit, Temporary Deferral Balance Refund Revenue, System Performance Adjustment and all other applicable credits and surcharges.
- 32.2.2 **Allowed Delivery Service Revenues will be developed using revenue per customer ("RPC") targets, which are based upon the annual customer and volume forecast underlying the rates adopted in Case 12-G-0202. The Revenue Decoupling Mechanism shall contain RPC Targets for 6 Groupings:**
1. SC 1 Residential Non-Heat
 2. SC 1 Residential Heat
 3. SC 2 Residential
 4. SC 2 Commercial
 5. SC 2 Industrial
 6. SC 7 Low Volume Delivery Only Service

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