

**BEFORE THE
STATE OF NEW YORK
PUBLIC SERVICE CORPORATION**

**NIAGARA MOHAWK POWER CORPORATION d/b/a National Grid Case
CASE No. 10-E-0050 -- Proceeding on Motion of the
Commission as to the Rates, Charges and Regulations of
Niagara Mohawk Power Corporation for Electric Service**

INITIAL BRIEF

On Behalf of

**Town of Amherst, Town of Tonawanda, Village of Kenmore,
City of Syracuse and City of Buffalo
"The Municipalities"**

OCTOBER 8, 2010

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INTRODUCTION AND PROCEDURAL BACKGROUND

On July 29, 2010, Niagara Mohawk Power Corporation ("NMPC") filed a massive rate case both with respect to the increase sought and in the number of pages supporting the request. NMPC's filing proposed a \$390 million rate increase in its delivery rate revenues. The testimony, exhibits and work papers totaled more than 7,700 pages -- a box and a half of copy paper!

What aroused the concerns of The Municipalities, was that the filing proposed special increases that ranged from 155% to 385% for certain select street lighting accounts that were subject to Pricing Exceptions¹. NMPC proposed to phase-out these Pricing Exceptions over a two-year period starting in 2012. The impact on these five municipalities was an increase in street lighting costs of \$1.5 million as

¹ The Pricing Exceptions are found at PSC No. 214 Electricity Tariff Leaves 29 to 32.

shown below for each municipality.

Municipality	Current Rates	Proposed Rates	Percentage
		Year 3 (2013)	Increase
Town of Amherst	\$79,326	\$210,054	155.11%
City of Buffalo	\$336,586	\$1,027,669	204.86%
Village of Kenmore	\$43,756	\$119,141	172.28%
City of Syracuse	\$47,779	\$235,908	384.81%
Town of Tonawanda	\$255,402	\$700,390	171.78%
Total	\$762,849	\$2,293,162	
Total Increase		\$1,530,313	200.60%

Reference: Exhibit 312.

The Municipalities conducted discovery and did extensive research in the State Archives regarding the origin of these Pricing Exceptions because NMPC itself did not have documentation regarding the origin of these special tariff provisions. The Municipalities filed testimony and exhibits on July 14, 2010 the deadline for Staff and other Intervenors to file their testimony. The Municipalities stated, through the testimony of Frank Radigan and Philip Teumim, that based on their research, the Pricing Exceptions were cost based, premised on customer owned equipment. NMPC filed rebuttal testimony on August 6, 2010 disputing the municipalities' claims of cost justification.

The Staff case dealt only with a one-year plan. Eventually, NMPC decided to abandon its three-year plan and

chose to litigate the case on the basis of one year. As a result, the proposal to phase-out the Pricing Exceptions in years 2 and 3 of the three-year plan were implicitly rendered inoperative.

This was confirmed on the record during the first hearing on September 1, 2010 before Administrative Law Judges William Boutellier and Rudy Stegemoeller.

(NMPC Counsel Ms. Catherine Nesser) And as Your Honors know, we filed -- the company filed a three-year case. Staff responded with a one-year cost of service analysis. So we are -- we think by default we are litigating here the one-year case on which the issues are join[ed].

My note to the parties yesterday was there's no reason to consume hearing time talking about changes in base rates or rate design extending beyond the first rate year. It's not our intention for either the company's part or other parties' part that the failure to cross-examine a witness on issues related to rate years two and three would be any sort of concession. It's just we are by necessity litigating a one-year case here.

September 1, 2010 Transcript at page 8, lines 10 to 24.

Thus, NMPC's proposal to phase-out the Pricing Exceptions in years 2 and 3 appeared to be off the table. This was confirmed on the record:

(NMPC Counsel Mr. Pond): ... Mr. Duthie and I have agreed that with respect to the street lighting issue only that the testimony of Messrs. Teumin and Radigan will not be entered into the record. That dealt only with the second- and third-year issues, and the company had rebuttal testimony that dealt with the Teumin and Radigan testimony and nothing else, and so it seemed that there was no reason to burden the record with that, either. Mr. Duthie will go forward with cross-examining

John Walter with respect to issues in rate year one only.

September 1, 2010 Transcript at page 9, lines 12 to 22.

After John Walter (NMPC's street lighting expert) was sworn in and his testimony copied into the record, the Municipalities presented him with Exhibit 312 that quantitatively demonstrated the impact of NMPC's decision to litigate a one-year rate case on the street lighting rate changes that were being proposed as it impacted the five municipalities. That Exhibit attached hereto as Exhibit A shows the impact on the five municipalities of the general changes in the street lighting rates as proposed by NMPC. The bottom third of the exhibit is crossed out based on the testimony of Mr. Walter.

(Counsel for the Municipalities, Mr. Duthie) What would I have to do to correct the bottom part of this exhibit under "Total Impact"?

(Mr. Walter) It can be deleted in its entirety, as the representation of total impact taken from our exhibits provided in the referenced documents at the bottom would actually be the numbers at the top of your page.

As can be seen, the exhibit shows no changes proposed in years 2012 and 2013 consistent with NMPC's abandonment of the three-year plan in favor of litigating a one-year plan.

It also shows the following effects on the five municipalities of the general changes in street lighting rates.

Town of Amherst	(\$61,018)	-1.86%
Town of Tonawanda	\$71,240	+3.74%
Village of Kenmore	\$759	+0.28%
City of Syracuse	\$40,978	+0.97%
City of Buffalo	(\$102,829)	-1.03%

The Municipalities support NMPC's goal to simplify the overly complex street lighting rates, but administrative efficiency should not trump rate stability, predictability and gradualism.

PRICING EXCEPTIONS WILL PHASE THEMSELVES OUT OVER TIME

NMPC and the Municipalities did not join issue on whether or not the Pricing Exceptions were cost based, because the issue became moot due to the focus on a one-year rate plan. However, over time the pricing exceptions phase themselves out. Indeed, in just the last year two more street lighting customers lost their pricing exceptions because they upgraded or changed their street lighting assets. While the Municipalities stand ready to litigate this issue, it is suggested that before NMPC files its next rate case, the parties sit down with Staff to review the facts uncovered by the research conducted in this case.

THE MUNICIPALITIES SUPPORT THE RDM'S EXCLUSION
FOR STREET LIGHTING REVENUES

The Municipalities have not taken a position on the Revenue Decoupling Mechanism ("RDM"), but support the exclusion from that mechanism of revenues derived from street lighting service. RDM is a regulatory response to overcome a utility's business interest in maximizing the through put of electricity, in this case. The utility's business objective to maximize delivery revenues is contrary to New York's policy goals of conservation and energy efficiency.

A properly designed RDM, according to supporters of the mechanism, will make the utility neutral from a business perspective, since the utility will obtain its revenue requirement regardless of the efficiency or conservation gains achieved by its customers. Likewise, the RDM mechanism will prevent a utility from earning outsized returns if electricity revenues increase for some reason beyond the forecast, such as an unusually hot summer.

Whether or not this is a wise policy is still open to debate in some quarters. What is not debatable is the fact that a comprehensive RDM goes a long way to providing revenue protection for the utility, by shifting the loss of

revenues for whatever reason to the customer. Accordingly, this significant reduction in risk should be reflected in the determination of the return on equity pushing that return down to the lowest bound of the range of reasonableness constitutionally permissible.

A PHYSICAL SURVEY IS NEEDED

The Municipalities are concerned that there may be a mismatch between the billing inventories and the actual inventory of street lighting assets in each municipality. Accordingly, the Municipalities would like the opportunity to work with NMPC to develop a workable plan that would achieve cost effective physical surveys under the supervision of Staff. The NMPC Street Lighting Tariff in general authorizes NMPC to verify the physical inventory. See PSC No. 214 Electricity Leaves 64, 74, and 87.

In particular Leaf 36 requires NMPC to "complete, execute and supply to customer a revised schedule 'SL'" "whenever during any month facilities are installed, removed or otherwise changed." Leaf 36, along with Schedule M – Application for Service and Schedule SL are attached as Exhibit B.

This is as it should be. Who is better positioned to know what street lighting facilities are providing service

to each municipality? NMPC has its continuing property records and GIS information. All that the customer has is a bill that may, and probably does not, reflect the actual street lighting inventory providing service.

CONCLUSION

The Municipalities support NMPC's goal of reducing the complexity of the street lighting rates. The Municipalities request that NMPC before making any further proposals regarding street lighting rates, and on all rates for that matter, consult first, and file second. Filing first produces a potentially hostile dynamic that can be avoided by consulting first.

The RDM should not include the street lighting service class because there are no efficiency programs available. More importantly, there is little ability to achieve energy efficiency savings from street lighting assets. The fact that many of the parties agreed to an RDM should reduce the business risk facing NMPC and, hence, the allowed rate of return should be set in the lowest constitutionally permissible range.

Finally, the Municipalities request a physical audit of the street lighting rates in their territories and will standby to work with NMPC and Staff to design an audit

process that is verifiable and not unduly burdensome.

Respectfully submitted,

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October 8, 2010

EXHIBIT A

Impacts of NMPC Proposed Changes to Street Lighting Tariff - One Year Plan

		Proposed Rates			3 Year Change	
SC No. 2	Present Rates	2011	2012	2012	\$	%
Municipality						
Town of Amherst	\$ 3,272,369	\$ 3,211,351			\$ (61,018)	-1.86%
Town of Tonawanda	\$ 1,907,060	\$ 1,978,300			\$ 71,240	3.74%
Village of Kenmore	\$ 272,067	\$ 272,826			\$ 759	0.28%
City of Syracuse	\$ 4,209,108	\$ 4,250,086			\$ 40,978	0.97%
City of Buffalo	\$ 10,028,405	\$ 9,925,576			\$ (102,829)	-1.03%
Pricing Exceptions						
Town of Amherst	\$ 89,749	\$ 89,749			\$ -	0.00%
Architectural Lum	\$ 423,851	\$ 441,196			\$ 17,345	4.09%
Town of Tonawanda	\$ 254,512	\$ 254,512			\$ -	0.00%
Architectural Lum	\$ 310,369	\$ 397,578			\$ 87,209	28.10%
Village of Kenmore	\$ 43,066	\$ 43,066			\$ -	0.00%
Architectural Lum	\$ 85,140	\$ 79,275			\$ (5,865)	-6.89%
City of Syracuse	\$ 48,261	\$ 48,261			\$ -	0.00%
Architectural Lum	\$ 4,340	\$ 3,165			\$ (1,175)	-27.07%
City of Buffalo	\$ 336,586 ^{335,638}	\$ 336,586 ^{335,638}			\$ -	0.00%
Architectural Lum	\$ 201,659	\$ 243,294			\$ 41,635	20.65%
Total Impact						
Town of Amherst	\$ 3,785,969	\$ 3,742,296			\$ (43,673)	-1.2%
Town of Tonawanda	\$ 2,471,941	\$ 2,630,390			\$ 158,449	6.4%
Village of Kenmore	\$ 400,273	\$ 395,167			\$ (5,106)	-1.3%
City of Syracuse	\$ 4,261,709	\$ 4,301,512			\$ 39,803	0.93%
City of Buffalo	\$ 10,566,650	\$ 10,505,456			\$ (61,194)	-0.58%

References: Exhibit ____ (JEW-4) of John Walter Direct Testimony, specifically pages 3 and 4 of 6
 Response to DPD-8(1) and DPD-13(1)
 Response to DPS-641

Case 10-E-0050: Proposed 2011-2013 Electric Rates

Outdoor Lighting Customer Impact Estimate

Service Classification No. 2, Full Service Street Lighting

All CSS Bill Accounts under S.C. 2

All charges listed are before Gross Receipts Tax

 Customer Name: **TOWN OF AMHERST**

 Division: Western
 Region: Frontier
 Energy Supplier: ESCO

Summary of Charges

	2011 Present Rates	2011 Proposed Rates	2012 Proposed Rates	2013 Proposed Rates	3 YEAR \$ CHANGE	3 YEAR % CHANGE
Total Charges	\$3,272,369.13	\$3,211,350.79	\$3,202,684.11	\$3,195,347.74	-\$77,021.39	-2.36%
Year-to-year dollar change:		-\$61,018.34	-\$8,766.68	-\$7,236.37		
Year-to-year percentage change:		-1.86%	-0.27%	-0.23%		
* Billed Kilowatt-hours	5,411,160	5,466,260	5,466,260	5,466,260		
Year-to-year percentage change:		1.02%	0.00%	0.00%		

* The change in billed kilowatt-hours is based entirely upon the estimated effect of the proposed billable wattages per lamp.

Breakdown of Charges

	2011 Present Rates	2011 Proposed Rates	2012 Proposed Rates	2013 Proposed Rates	3 YEAR \$ CHANGE	3 YEAR % CHANGE
Total Commodity Charges	\$265,633.84	\$268,338.70	\$268,338.70	\$268,338.70	\$2,704.86	1.02%
Total Distribution Delivery Charges	\$505,684.79	\$509,603.02	\$509,603.02	\$509,603.02	\$2,918.23	0.58%
Delivery Distribution Charge:	\$435,436.05	\$437,628.78	\$437,628.78	\$437,628.78	\$2,192.73	0.50%
Merchant Function Charge:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Other Delivery Charge Adjustments:	\$71,248.74	\$71,974.25	\$71,974.25	\$71,974.25	\$725.50	1.02%
Total Facility Charges	\$2,500,050.50	\$2,433,409.07	\$2,424,642.39	\$2,417,406.02	-\$82,644.48	-3.31%
Arms and Brackets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Circuitry	\$856,086.51	\$769,912.49	\$712,530.54	\$656,226.72	-\$199,859.79	-23.35%
Foundations	\$442,935.84	\$452,202.12	\$501,141.32	\$550,089.20	\$107,153.36	24.19%
Lamps	\$57,349.01	\$64,710.55	\$64,710.55	\$64,710.55	\$7,361.54	12.84%
Lamp/luminaire combos	\$1,203.62	\$1,203.62	\$879.69	\$999.28	-\$204.36	-16.98%
luminaires	\$570,692.72	\$598,720.53	\$598,720.53	\$598,720.53	\$28,027.81	4.91%
Convenience Outlets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Metal/composite standards	\$546,644.26	\$546,659.76	\$546,659.76	\$546,659.76	\$15.50	0.00%
Street Light Only Wood Poles	\$25,138.54	\$0.00	\$0.00	\$0.00	-\$25,138.54	-100.00%

Further Details if Applicable

	2011 Present Rates	2011 Proposed Rates	2012 Proposed Rates	2013 Proposed Rates	3 YEAR \$ CHANGE	3 YEAR % CHANGE
Pricing Exception Facility Charges	\$89,749.39	\$89,749.39	\$159,267.64	\$228,969.10	\$139,209.71	155.11%
Year-to-year dollar change:		\$0.00	\$69,508.25	\$69,701.46		
Year-to-year percentage change:		0.00%	77.45%	43.77%		
Architectural Luminaire Facility Charges	\$423,850.60	\$441,195.79	\$441,195.79	\$441,195.79	\$17,345.19	4.09%
Year-to-year dollar change:		\$17,345.19	\$0.00	\$0.00		
Year-to-year percentage change:		4.09%	0.00%	0.00%		

Customer Impact Estimate is based on customer's facility inventory and choice of energy-supplier for each account, as of June 2010.

Customer Impact Model assumes, for simplicity of analysis, that an ESCO will charge the same forecasted commodity rates as will NMPC. NMPC proposes to replace the Customer Service Backout Credit on ESCO-supplied accounts with a Merchant Function Charge on NMPC-supplied accounts.

Case 10-E-0050: Proposed 2011-2013 Electric Rates

Outdoor Lighting Customer Impact Estimate

Service Classification No. 2, Full Service Street Lighting

All CSS Bill Accounts under S.C. 2

All charges listed are before Gross Receipts Tax

Division: Western

Region: Frontier

Energy Supplier: NMPC & ESCO

Customer Name: CITY OF BUFFALO

Summary of Charges

	2011 Present Rates	2011 Proposed Rates	2012 Proposed Rates	2013 Proposed Rates	3 YEAR \$ CHANGE	3 YEAR % CHANGE
Total Charges	\$10,028,404.56	\$9,925,676.25	\$10,169,572.93	\$10,414,491.08	\$386,086.51	3.86%
Year-to-year dollar change:		-\$102,828.32	\$243,996.68	\$244,918.15		
Year-to-year percentage change:		-1.03%	2.46%	2.41%		
 * Billed Kilowatt-hours	29,018,513	28,295,327	28,295,327	28,295,327		
Year-to-year percentage change:		-2.49%	0.00%	0.00%		

* The change in billed kilowatt-hours is based entirely upon the estimated effect of the proposed billable wattages per lamp.

Breakdown of Charges

	2011 Present Rates	2011 Proposed Rates	2012 Proposed Rates	2013 Proposed Rates	3 YEAR \$ CHANGE	3 YEAR % CHANGE
Total Commodity Charges	\$1,424,518.80	\$1,389,017.60	\$1,389,017.60	\$1,389,017.60	-\$35,501.20	-2.49%
Total Distribution Delivery Charges	\$2,717,206.50	\$2,637,908.21	\$2,637,908.21	\$2,637,908.21	-\$79,298.29	-2.92%
Delivery Distribution Charge:	\$2,335,119.74	\$2,265,323.88	\$2,265,323.88	\$2,265,323.88	-\$69,795.86	-2.99%
Merchant Function Charge:	\$0.00	\$19.76	\$19.76	\$19.76	\$19.76	N/A
Other Delivery Charge Adjustments:	\$382,086.76	\$372,564.57	\$372,564.57	\$372,564.57	-\$9,522.19	-2.49%
Total Facility Charges	\$5,886,679.26	\$5,886,650.44	\$6,142,547.12	\$6,387,565.27	\$500,886.01	8.51%
Arms and Brackets	\$780.64	\$780.64	\$780.64	\$780.64	\$0.00	0.00%
Circuitry	\$2,037,898.57	\$1,948,471.57	\$1,986,323.36	\$2,025,053.88	-\$12,844.69	-0.63%
Foundations	\$1,574,100.60	\$1,564,674.21	\$1,770,631.66	\$1,976,631.85	\$402,531.25	25.57%
Lamps	\$300,155.84	\$315,197.39	\$315,197.39	\$315,197.39	\$15,041.55	5.01%
Lamp/luminaire combos	\$163.80	\$163.80	\$351.24	\$538.68	\$374.88	228.86%
Luminaires	\$1,910,735.58	\$2,048,254.40	\$2,048,254.40	\$2,048,254.40	\$137,518.82	7.20%
Convenience Outlets	\$2,916.35	\$2,916.35	\$2,916.35	\$2,916.35	\$0.00	0.00%
Metal/composite standards	\$18,192.08	\$18,192.08	\$18,192.08	\$18,192.08	\$0.00	0.00%
Street Light Only Wood Poles	\$41,735.80	\$0.00	\$0.00	\$0.00	-\$41,735.80	-100.00%

Further Details if Applicable (included in Breakdown of Charges, above)

	2011 Present Rates	2011 Proposed Rates	2012 Proposed Rates	2013 Proposed Rates	3 YEAR \$ CHANGE	3 YEAR % CHANGE
Pricing Exception Facility Charges	\$335,638.07	\$335,638.07	\$679,459.76	\$1,023,231.76	\$687,583.69	204.86%
Year-to-year dollar change:		\$0.00	\$343,821.69	\$343,772.00		
Year-to-year percentage change:		0.00%	102.44%	50.59%		
 Architectural Luminaire Facility Charges	\$201,659.36	\$243,293.88	\$243,293.88	\$243,293.88	\$41,634.52	20.65%
Year-to-year dollar change:		\$41,634.52	\$0.00	\$0.00		
Year-to-year percentage change:		20.65%	0.00%	0.00%		

Customer Impact Estimate is based on customer's facility inventory and choice of energy-supplier for each account, as of June 2010.

Customer Impact Model assumes, for simplicity of analysis, that an ESCO will charge the same forecasted commodity rates as will NMPC. NMPC proposes to replace the Customer Service Backout Credit on ESCO-supplied accounts with a Merchant Function Charge on NMPC-supplied accounts.

Case 10-E-0050: Proposed 2011-2013 Electric Rates

Outdoor Lighting Customer Impact Estimate

Service Classification No. 2, Full Service Street Lighting

All CSS Bill Accounts under S.C. 2

All charges listed are before Gross Receipts Tax

Division: Western

Region: Frontier

Energy Supplier: NMPC

 Customer Name: VILLAGE OF KENMORE

Summary of Charges

	2011 Present Rates	2011 Proposed Rates	2012 Proposed Rates	2013 Proposed Rates	3 YEAR \$ CHANGE	3 YEAR % CHANGE
Total Charges	\$272,067.04	\$272,826.61	\$312,426.63	\$352,083.76	\$80,026.72	29.41%
Year-to-year dollar change:		\$758.57	\$39,600.02	\$39,668.13		
Year-to-year percentage change:		0.28%	14.51%	12.70%		
 * Billed Kilowatt-hours	 640,212	 657,800	 657,800	 657,800		
Year-to-year percentage change:		2.75%	0.00%	0.00%		

* The change in billed kilowatt-hours is based entirely upon the estimated effect of the proposed billable wattages per lamp.

Breakdown of Charges

	2011 Present Rates	2011 Proposed Rates	2012 Proposed Rates	2013 Proposed Rates	3 YEAR \$ CHANGE	3 YEAR % CHANGE
Total Commodity Charges	\$31,428.01	\$32,291.40	\$32,291.40	\$32,291.40	\$863.39	2.75%
Total Distribution Delivery Charges	\$59,947.53	\$61,324.72	\$61,324.72	\$61,324.72	\$1,377.19	2.30%
Delivery Distribution Charge:	\$51,517.86	\$52,663.47	\$52,663.47	\$52,663.47	\$1,145.61	2.22%
Merchant Function Charge:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Other Delivery Charge Adjustments:	\$8,429.67	\$8,661.25	\$8,661.25	\$8,661.25	\$231.58	2.75%
Total Facility Charges	\$180,691.50	\$179,209.49	\$218,809.51	\$258,477.64	\$77,786.14	43.05%
Arms and Brackets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Circuitry	\$56,954.24	\$59,682.07	\$99,434.81	\$139,255.20	\$82,300.96	144.50%
Foundations	\$9,657.24	\$9,504.98	\$9,352.26	\$9,200.00	-\$467.24	-4.73%
Lamps	\$8,792.48	\$9,957.57	\$9,957.57	\$9,957.57	\$1,165.09	13.25%
Lamp/luminaire combos	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Luminaires	\$94,725.34	\$89,599.73	\$89,599.73	\$89,599.73	-\$5,125.61	-5.41%
Convenience Outlets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Metal/composite standards	\$10,465.14	\$10,465.14	\$10,465.14	\$10,465.14	\$0.00	0.00%
Street Light Only Wood Poles	\$97.06	\$0.00	\$0.00	\$0.00	-\$97.06	-100.00%

Further Details if Applicable

	2011 Present Rates	2011 Proposed Rates	2012 Proposed Rates	2013 Proposed Rates	3 YEAR \$ CHANGE	3 YEAR % CHANGE
Pricing Exception Facility Charges	\$43,065.99	\$43,065.99	\$80,169.16	\$117,281.72	\$74,195.73	172.28%
Year-to-year dollar change:		\$0.00	\$37,103.17	\$37,092.56		
Year-to-year percentage change:		0.00%	86.15%	46.27%		
Architectural Luminaire Facility Charges	\$85,140.14	\$79,274.81	\$79,274.81	\$79,274.81	-\$5,865.33	-6.89%
Year-to-year dollar change:		-\$5,865.33	\$0.00	\$0.00		
Year-to-year percentage change:		-6.89%	0.00%	0.00%		

Customer Impact Estimate is based on customer's facility inventory and choice of energy-supplier for each account, as of June 2010.

Customer Impact Model assumes, for simplicity of analysis, that an ESCO will charge the same forecasted commodity rates as will NMPC. NMPC proposes to replace the Customer Service Backout Credit on ESCO-supplied accounts with a Merchant Function Charge on NMPC-supplied accounts.

Case 10-E-0050: Proposed 2011-2013 Electric Rates

Outdoor Lighting Customer Impact Estimate

Service Classification No. 2, Full Service Street Lighting

All CSS Bill Accounts under S.C. 2

All charges listed are before Gross Receipts Tax

Division: Central

Region: Central

Energy Supplier: NMPC

Customer Name: CITY OF SYRACUSE DPW

Summary of Charges

	2011 Present Rates	2011 Proposed Rates	2012 Proposed Rates	2013 Proposed Rates	3 YEAR \$ CHANGE	3 YEAR % CHANGE
Total Charges	\$4,209,108.47	\$4,250,065.83	\$4,386,307.76	\$4,524,268.68	\$315,150.21	7.49%
Year-to-year dollar change:		\$40,977.36	\$136,221.93	\$137,950.92		
Year-to-year percentage change:		0.97%	3.21%	3.15%		
 * Billed Kilowatt-hours	 14,107,167	 14,002,215	 14,002,215	 14,002,215		
Year-to-year percentage change:		-0.74%	0.00%	0.00%		

* The change in billed kilowatt-hours is based entirely upon the estimated effect of the proposed billable wattages per lamp.

Breakdown of Charges

	2011 Present Rates	2011 Proposed Rates	2012 Proposed Rates	2013 Proposed Rates	3 YEAR \$ CHANGE	3 YEAR % CHANGE
Total Commodity Charges	\$753,197.73	\$757,519.83	\$757,519.83	\$757,519.83	-\$5,677.90	-0.74%
Total Distribution Delivery Charges	\$1,320,952.80	\$1,318,266.54	\$1,318,266.54	\$1,318,266.54	-\$2,686.26	-0.20%
Delivery Distribution Charge:	\$1,135,203.73	\$1,121,017.33	\$1,121,017.33	\$1,121,017.33	-\$14,186.40	-1.25%
Merchant Function Charge:	\$0.00	\$12,882.04	\$12,882.04	\$12,882.04	\$12,882.04	N/A
Other Delivery Charge Adjustments:	\$185,749.07	\$184,367.16	\$184,367.16	\$184,367.16	-\$1,381.90	-0.74%
Total Facility Charges	\$2,124,957.94	\$2,174,299.46	\$2,310,521.39	\$2,448,472.31	\$323,514.37	15.22%
Arms and Brackets	\$4,756.43	\$5,446.01	\$5,446.01	\$5,446.01	\$689.58	14.50%
Circuitry	\$297,671.13	\$344,044.71	\$406,095.98	\$489,674.28	\$172,203.16	57.85%
Foundations	\$281,877.58	\$279,626.64	\$329,420.19	\$379,220.95	\$97,343.37	34.53%
Lamps	\$120,782.17	\$133,836.35	\$133,836.35	\$133,836.35	\$13,054.18	10.81%
Lamp/luminaire combos	\$6,594.76	\$6,584.76	\$6,584.76	\$6,584.76	\$0.00	0.00%
Luminaires	\$1,004,554.16	\$1,060,477.12	\$1,060,477.12	\$1,060,477.12	\$55,922.96	5.57%
Convenience Outlets	\$7,264.91	\$7,264.91	\$7,264.91	\$7,264.91	\$0.00	0.00%
Metal/composite standards	\$337,018.96	\$337,018.96	\$361,396.07	\$385,767.83	\$48,748.97	14.46%
Street Light Only Wood Poles	\$64,447.84	\$0.00	\$0.00	\$0.00	-\$64,447.84	-100.00%

Further Details if Applicable

	2011 Present Rates	2011 Proposed Rates	2012 Proposed Rates	2013 Proposed Rates	3 YEAR \$ CHANGE	3 YEAR % CHANGE
Pricing Exception Facility Charges	\$48,261.35	\$48,261.35	\$140,145.85	\$233,974.57	\$185,713.22	384.81%
Year-to-year dollar change:		\$0.00	\$91,884.50	\$93,828.72		
Year-to-year percentage change:		0.00%	190.39%	66.95%		
 Architectural Luminaire Facility Charges	 \$4,340.03	 \$3,164.99	 \$3,164.99	 \$3,164.99	 -\$1,175.04	 -27.07%
Year-to-year dollar change:		-\$1,175.04	\$0.00	\$0.00		
Year-to-year percentage change:		-27.07%	0.00%	0.00%		

Customer Impact Estimate is based on customer's facility inventory and choice of energy-supplier for each account, as of June 2010.

Customer Impact Model assumes, for simplicity of analysis, that an ESCO will charge the same forecasted commodity rates as will NMPC. NMPC proposes to replace the Customer Service Backout Credit on ESCO-supplied accounts with a Merchant Function Charge on NMPC-supplied accounts.

Case 10-E-0050: Proposed 2011-2013 Electric Rates

Outdoor Lighting Customer Impact Estimate

Service Classification No. 2, Full Service Street Lighting

All CSS Bill Accounts under S.C. 2

All charges listed are before Gross Receipts Tax

Division: Western

Region: Frontier

Energy Supplier: ESCO

Customer Name: TOWN OF TONAWANDA

Summary of Charges

	2011 Present Rates	2011 Proposed Rates	2012 Proposed Rates	2013 Proposed Rates	3 YEAR \$ CHANGE	3 YEAR % CHANGE
Total Charges	\$1,907,060.26	\$1,978,300.33	\$2,172,583.43	\$2,367,360.65	\$460,300.39	24.14%
Year-to-year dollar change:		\$71,240.07	\$194,263.10	\$194,797.22		
Year-to-year percentage change:		3.74%	8.82%	8.97%		
* Billed Kilowatt-hours	2,690,674	2,758,529	2,758,529	2,758,529		
Year-to-year percentage change:		2.52%	0.00%	0.00%		

* The change in billed kilowatt-hours is based entirely upon the estimated effect of the proposed billable wattages per lamp.

Breakdown of Charges

	2011 Present Rates	2011 Proposed Rates	2012 Proposed Rates	2013 Proposed Rates	3 YEAR \$ CHANGE	3 YEAR % CHANGE
Total Commodity Charges	\$132,085.19	\$135,416.19	\$135,416.19	\$135,416.19	\$3,331.00	2.52%
Total Distribution Delivery Charges	\$251,946.64	\$257,169.38	\$257,169.38	\$257,169.38	\$5,222.74	2.07%
Delivery Distribution Charge:	\$216,518.54	\$220,847.83	\$220,847.83	\$220,847.83	\$4,329.29	2.00%
Merchant Function Charge:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Other Delivery Charge Adjustments:	\$35,428.10	\$36,321.55	\$36,321.55	\$36,321.55	\$893.45	2.52%
Total Facility Charges	\$1,523,028.43	\$1,585,714.78	\$1,779,977.86	\$1,974,776.08	\$451,746.65	29.66%
Arms and Brackets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Circuitry	\$467,031.81	\$442,948.67	\$492,807.28	\$543,190.52	\$76,158.71	16.31%
Foundations	\$267,589.94	\$267,858.48	\$412,262.97	\$558,676.95	\$289,087.01	108.03%
Lamps	\$38,643.61	\$43,794.85	\$43,794.85	\$43,794.85	\$5,151.24	13.33%
Lamp/luminaire combos	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Luminaires	\$391,301.72	\$484,683.75	\$484,683.75	\$484,683.75	\$93,382.03	23.86%
Convenience Outlets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Metal/composite standards	\$346,425.91	\$346,429.01	\$346,429.01	\$346,429.01	\$3.10	0.00%
Street Light Only Wood Poles	\$12,035.44	\$0.00	\$0.00	\$0.00	-\$12,035.44	-100.00%

Further Details if Applicable

	2011 Present Rates	2011 Proposed Rates	2012 Proposed Rates	2013 Proposed Rates	3 YEAR \$ CHANGE	3 YEAR % CHANGE
Pricing Exception Facility Charges	\$254,512.06	\$254,512.06	\$473,109.82	\$681,721.12	\$437,209.06	171.78%
Year-to-year dollar change:		\$0.00	\$218,596.96	\$218,612.10		
Year-to-year percentage change:		0.00%	85.89%	46.21%		
Architectural Luminaire Facility Charges	\$310,368.50	\$397,578.18	\$397,578.18	\$397,578.18	\$87,209.68	28.10%
Year-to-year dollar change:		\$87,209.69	\$0.00	\$0.00		
Year-to-year percentage change:		28.10%	0.00%	0.00%		

Customer Impact Estimate is based on customer's facility inventory and choice of energy-supplier for each account, as of June 2010.

Customer Impact Model assumes, for simplicity of analysis, that an ESCO will charge the same forecasted commodity rates as will NMPC. NMPC proposes to replace the Customer Service Backout Credit on ESCO-supplied accounts with a Merchant Function Charge on NMPC-supplied accounts.

EXHIBIT B

PSC NO: 214 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: NOVEMBER 16, 2009

LEAF: 36
REVISION: 4
SUPERSEDING REVISION: 3

SERVICE CLASSIFICATION NO. 2 (Continued)

I. Form "M" Termination

Upon termination of service under the Form "M" – Application for Service hereunder or under a superseding service classification or contract by either party, Company shall have the right within a reasonable time thereafter, as mutually agreed upon, to remove and/or retire-in-place all facilities placed, installed, erected or used by it pursuant to the supplying of street lighting service hereunder to the customer. Upon rendering the street lighting system inoperable and removing or retiring the facilities, Company shall leave the public streets and places affected thereby in the same or as good condition as they were immediately thereto. Company may elect to retain the operational status of specific facilities for integration with the Company's electric distribution system. The cost of all termination, including but not limited to the electrical system separation/disconnection, facility removal or retirement and site restoration, will be incurred by the customer, less any facility salvage value.

J. Schedule "SL" Revision

Whenever during any month facilities are installed, removed or otherwise changed from the original, pursuant to SPECIAL PROVISIONS F, G or RATE F.6 and F.7, Company shall complete, execute and supply to customer a revised Schedule "SL". All customer work requests shall be on appropriate customer letterhead and accompanied by an approved form resolution, if applicable. The Schedule "SL" shall be executed by a duly authorized representative of the customer and returned to Company. The monthly bill to customer shall reflect such installations, removals or replacements.

K. Service Classification Revision

In the event of changes or revisions of this service classification, customer shall take and pay for service in accordance with the provisions of the revised or superseding service classification. Charges to customer shall be prorated between the superseding and the superseded rate on the basis of a 30 day billing period, with the superseding charges applying to the dates of service taken on and after the effective date of such change.

L. Adjustment of Previous Bills

Previous billing period bills for a customer account shall be adjusted, as applicable, using Intra-Account Netting. Intra-Account Netting is defined as the method of computing the appropriate billing amount for a customer in a given bill period by offsetting the cumulative value of facilities discovered to have been underbilled in that bill period against the cumulative value of facilities discovered to have been overbilled in that bill period. If by applying this method, the net result is an overbilling, then a refund or credit will be issued to the customer. If the net result is an underbilling, then the recovery of that amount is subject to the applicable backbilling rules and procedures as set forth in 16 NYCRR, Section 13.9.

M. Tree Trimming

As a condition of receiving service hereunder, customer authorizes Company, insofar as it lawfully may, to trim, cut, remove, and to keep trimmed, cut and removed any and all trees and other obstructions which, in the opinion of Company, interfere with or may tend to interfere with the construction, operation and maintenance of Company's service hereunder. Tree trimming required for light distribution on the highway, street and/or sidewalk surfaces is a responsibility of the customer, and shall be done by customer or at customer's expense.

Issued by Thomas B. King, President, Syracuse, NY

PSC NO: 214 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: NOVEMBER 16, 2009

LEAF: 38
REVISION: 4
SUPERSEDING REVISION: 3

SERVICE CLASSIFICATION NO. 2 (Continued)

NIAGARA MOHAWK	P.S.C. NO. 214 ELECTRICITY - S.C. NO. 2 FORM "M" - APPLICATION FOR SERVICE
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BY AND BETWEEN NIAGARA MOHAWK POWER CORPORATION AND

(CUSTOMER NAME)

(MAILING ADDRESS)

(Hereinafter called "Customer")

Date _____, _____

The _____ of _____ County, New York, (hereinafter called "Customer"), pursuant to the attached authorization dated _____, hereby applies to NIAGARA MOHAWK POWER CORPORATION (hereinafter called "Company"), to furnish, install, operate and maintain for Customer an electric lighting system along the streets, roads, highways and/or other public places within the jurisdictional boundaries of such state, municipality or governmental authority that is a party to this agreement. Service to Customer shall be through a single billing account.

Upon acceptance by Company, this application constitutes an agreement and contract for the furnishing of street lighting service in accordance with the terms and conditions set forth in Service Classification No. 2 of P.S.C. No. 214 Electricity as now on file with the Public Service Commission of the State of New York, or in accordance with the same as from time to time changed or amended and made effective in accordance with the rules of the Commission. This agreement and contract shall be effective for an initial period of _____ year(s) from _____ (Date) and hereafter until canceled by either party as provided in Service Classification No. 2.

Customer shall pay for the service as described in Schedule "SL" dated _____, _____ appended hereto and made a part hereof for the facilities installed or to be installed at the effective date hereof, and, whenever the facilities installed to render the service are subsequently replaced, increased or decreased, as provided in Service Classification No. 2, Customer shall pay for the service in accordance with the listing of the facilities set forth upon a revised Schedule "SL", which shall at its effective date supersede Schedule "SL" theretofore in effect. The rates and charges as set forth in the Tariff, as amended from time to time, shall apply to the facilities described and identified in Schedule "SL".

Company shall secure compensation and pay or provide the same in the manner and to the extent provided for by applicable provisions of the Workmen's Compensation Law for the benefit of its employees, having employments within the provisions of the law and engaged in the performance of the agreement, on account of injuries arising out of or in the course of their employments and Company shall not assign, transfer, convey, sublet or otherwise dispose of the agreement or its right, title or interest therein, or its power to execute the same to any person, company or corporation without previous consent of Customer; provided that a consolidation or merger in which Company participates shall not be deemed to be within the provisions of this paragraph.

Issued by Thomas B. King, President, Syracuse, NY

PSC NO: 214 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: NOVEMBER 16, 2009

LEAF: 39
REVISION: 5
SUPERSEDING REVISION: 4

SERVICE CLASSIFICATION NO. 2 (Continued)

The Company shall not, without the previous written consent of the officer, board or agency awarding this contract, assign, transfer, convey, sublet or otherwise dispose of its contract or its right, title or interest therein or its power to execute such contract to any other person or corporation except that consent is hereby given by the officer, board or agency awarding this contract to the Company to sublet from time to time the installation or maintenance of the facilities required, provided, however, that such consent shall in no way relieve the Company of any of its obligations to Customer under the terms and provisions of this contract.

All previous agreements and contracts between the parties or their predecessors covering all or a portion of the services provided herein shall terminate on the effective date of this application, except that the obligation of Customer to pay for services theretofore rendered under any such prior agreements and contracts shall survive. The effective date of this agreement shall be the date of party signing last in time.

ATTEST:

[NAME OF ENTITY]
DULY AUTHORIZED REPRESENTATIVE

(SIGNATURE)

By: _____
(SIGNATURE)

(PRINT NAME)

(PRINT NAME)

(TITLE)

DATE: _____

ACCEPTED:
NIAGARA MOHAWK POWER CORPORATION

By: _____
(SIGNATURE)

(PRINT NAME)

(TITLE)

(DATE)

Issued by Thomas B. King, President, Syracuse, NY

PSC NO: 214 ELECTRICITY
 NIAGARA MOHAWK POWER CORPORATION
 INITIAL EFFECTIVE DATE: NOVEMBER 16, 2009

LEAF: 40
 REVISION: 6
 SUPERSEDING REVISION: 5

SERVICE CLASSIFICATION NO. 2 (Continued)

Niagara Mohawk			<u>CUSTOMER NAME</u>			<u>ACCOUNT NUMBER:</u>		
P.S.C. No. 214 Electricity S.C. No. 2 Schedule SL						<u>LD REFERENCE</u>		
FOR COMPANY USE ONLY								
<u>SERVICE AGREEMENT DATE</u>			<u>REFERENCE NO.</u>			<u>SEQUENCE NO.</u>		
			<u>PREVIOUS BILL PERIOD CHANGE</u> (mo/yr)			<u>EFFECTIVE BILL PERIOD</u> (mo/yr)		
<u>Description</u>	<u>Qty</u> <u>Unit</u> <u>Chg</u> (+/-)	<u>Qty</u> <u>Bill</u> <u>Total</u>	<u>Description</u>	<u>Qty</u> <u>Unit</u> <u>Chg</u> (+/-)	<u>Qty</u> <u>Bill</u> <u>Total</u>	<u>Description</u>	<u>Qty</u> <u>Unit</u> <u>Chg</u> (+/-)	<u>Qty</u> <u>Bill</u> <u>Total</u>
<u>STANDARD CHARGES</u>			<u>STANDARD CHARGES</u>			<u>CLOSED CHARGES</u>		
LAMPS			POLES/STANDARDS			LAMPS		
LP 70W HPS			Pole Wood OH Distr			LP 100W MV		
LP 100W HPS			Pole Wood OH 1Span			LP 175W MV		
LP 150W HPS			Stnd Alum>16' AB			LP 400W MV		
LP 250W HPS			Stnd Alum>16' ABHD			LP 1000W MV		
LP 400W HPS			Stnd Alum>16' ABSQ			LP 250W MV 5 lamps		
LP 175W MH			Stnd Fbgl>16' AB			LP 1000W HPS		
LP 250W MH			Stnd Alum=<16' AB			LP 1000W MH		
LP 400W MH			Stnd Fbgl=<16' AB					
			Stnd Fbgl=<16' DE					
			St Dec Alum>16' ABNR			LUMINAIRES		
LUMINAIRES			St Dec Alum=<16' ABAS			Lum 250w Buff Glb-5		
			St Dec Fbgl=<16' ABPR			Lum 250W Franklin Sq		
Lum 100W AspGr			St Dec Fbgl=<16' DEPR			Lum 150W Globe		
Lum 150W AspGr						Lum 175W Globe		
Lum 175W AspGr						Lum 70W LF Teardrop		
Lum 250W AspGr			ARMS/BRACKETS			Lum 1000W Roadway		
Lum 400W AspGr			Arm Alum>16' Roadway			Lum 1000W Shoebox		
Lum 100W Cent Pk			Arm Dec>16' NiaPedl			Lum 100W Washington		
Lum 175W Cent Pk			Arm Alum>16' Fld					
Lum 100W Coach			Arm Dec=<16' XCont			LAMPS/LUMINAIRES		
Lum 150W Coach			Arm Dec=<16' XOrntl			LP/Lum 100W MV Open		
Lum 175W Coach			Brkt Alum Roadway			LP/Lum 700W MV Std		
Lum 250W Coach			Brkt Dec Park Ave S1			LP/Lum IKW HPS HiMt6		
Lum 400W Coach			Brkt Alum Fld					
Lum 150W Del Pk								
Lum 175W Del Pk								
Lum 250W Del Pk								

Issued by Thomas B. King, President, Syracuse, NY

PSC NO: 214 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: NOVEMBER 16, 2009

LEAF: 41
REVISION: 5
SUPERSEDING REVISION: 4

SERVICE CLASSIFICATION NO. 2 (Continued)

Lum 400W Del Pk			BASES		POLES/STANDARDS		
Lum 70W Del Pk Ped			Base Frangible		Std Steel AB OH 1SP		
Lum 100W Del Pk Ped			Base Non-Frangible		Std Alum AB OH 1SP		
Lum 100W Edgwtr			Base Dec Niagara		Std Stl 50' AB Rnd		
Lum 150W Edgwtr					Std Stl 35' AB SQ		
Lum 175W Edgwtr			FOUNDATIONS		Std Stl>16' AB		
Lum 100W Edison			Fdn Con>16' CIPAB		Std Stl>16' ABHD		
Lum 250W Edison			Fdn Con>16' CIPABHD		Std Stl>16' ABTSSA		
Lum 400W Edison			Fdn Con=<16' CIPAB		Std Stl>16' ABTS10		
Lum 250W Fld			Fdn Con>16' PCAB		Std Stl=<16' AB		
Lum 400W Fld			Fdn Con=<16' PCAB		Std Stl=<16' ABDE		
Lum 70W Roadway					Std Alum=<16' AB Sq		
Lum 100W Roadway					St Dec Alum=<16' ABLF		
Lum 150W Roadway			CIRCUITS		St Dec Iron=<16' ABAS		
Lum 175W Roadway			Circ OH				
Lum 250W Roadway			Circ UG Cbl & Cndt				
Lum 400W Roadway			Circ UG Cbl Only		ARMS/BRACKETS		
Lum 250W Setback			Circ UG DBC		Arm Stl>16' Roadway		
Lum 400W Setback			Circ UG Res DBC		Arm Dec=<16' CaneScr		
Lum 100W Shoebox			Circ Ex Cbl&Cndt/ft		Brkt Stl Roadway		
Lum 150W Shoebox			Circ Ex Cbl/ft				
Lum 175W Shoebox			Circ Ex DBC/ft		FOUNDATIONS		
Lum 250W Shoebox					Fdn Con>16' CIPABDbl		
Lum 400W Shoebox					Fdn Con>16' CIPABEHD		
Lum 100W Trad			CONVENIENCE OUTLETS		Fdn Con>16' CIPABTSSq		
Lum 150W Trad			Outlet New Std		Fdn Mech all Auger		
Lum 175W Trad			Outlet Existing Std				
Lum 250W Trad			Outlet Wood Pole				
Lum 400W Trad							
Lum 70W Upass			MISC BILL COMPONENTS NOT LISTED				
Lum 100W Upass							
Lum 150W Upass							
Lum 175W Upass							
Lum 70W William							
Lum 100W William							
Lum 150W William							
Lum 175W William							