
GENERAL INFORMATION

30. REVENUE DECOUPLING MECHANISM (“RDM”) ADJUSTMENT

Actual delivery revenues for certain customer classes are subject to reconciliation through an RDM Adjustment.

(A) Applicability

The RDM Adjustment is applicable to Service Classification (“SC”) Nos. 1, 2, 3, 9, 19, 20, 21, and 22. For RDM purposes, these Service Classifications shall be assigned to customer groups as follows:

- Group A – SC Nos. 1 and 19 customers
- Group B – SC No. 2 Secondary and SC No. 20 customers
- Group C – SC No. 2 Primary and SC Nos. 3 and 21 customers
- Group D – SC No. 9 customers
- Group E – SC No. 22 customers

The RDM is not applicable to (a) Service Classification Nos. 4, 5, 6, 15, 16, 23, and 25; (b) customers taking service under Rider H; (c) kWh usage delivered under Rider B, NYPA RNY Program, up to the RNY Allocation; and (d) usage delivered under Rider C, Excelsior Jobs Program, above the Baseline Billing Determinants. Customers taking service under Rider H and usages delivered under Rider C, Excelsior Jobs Program, above the Baseline Billing Determinants will be excluded from the RDM from November 1, 2015 until the Company’s base electric rates are next reset, even if service under these riders expires during this period.

(B) Determination of RDM Adjustment

For each customer group subject to the RDM Adjustment, the Company will compare, on a monthly basis, the difference between Actual Delivery Revenue and corresponding Delivery Revenue Targets. Actual Delivery Revenue is defined as the sum of total revenue derived from customer charges, delivery charges, and, if applicable, the reactive power demand charge as defined in the service classifications included in each customer group. Actual Delivery Revenue shall not include revenues derived from the RDM Adjustment.

For each customer group subject to the RDM Adjustment, the Company will, on a monthly basis, compare Actual Delivery Revenue to a Delivery Revenue Target. If the monthly Actual Delivery Revenue exceeds the Delivery Revenue Target, the delivery revenue excess will be accrued for refund to customers at the end of the Annual RDM Period as defined below. Likewise, if the monthly Actual Delivery Revenue is less than the Delivery Revenue Target, this delivery revenue shortfall will be accrued for recovery from customers at the end of the Annual RDM Period.

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30. REVENUE DECOUPLING MECHANISM (“RDM”) ADJUSTMENT (Continued)

(B) Determination of RDM Adjustment (Continued)

Since loads served under Rider B, NYPA – Recharge New York (“RNY”), and usage above the Baseline Billing Determinants under Rider C, Excelsior Jobs Program (“EJP”), are exempt from the RDM, Delivery Revenue Targets will be revised for allocations made under RNY and deliveries under EJP. Delivery Revenue Targets will be decreased/increased as RNY and EJP customers move from/into RDM customer groups.

On a monthly basis, interest at the Commission's rate for other customer provided capital will be calculated on the average of the current and prior month's cumulative delivery revenue excess/shortfall (net of state and federal income tax benefits).

At the end of an Annual RDM Period, as defined below, total delivery revenue excess/shortfalls for each customer group will be refunded/surcharged to customers through customer group specific RDM Adjustments applicable during a corresponding RDM Adjustment Period as defined below. The RDM Adjustment for each applicable customer group shall be determined by dividing the amount to be refunded/surcharged to customers in that customer group by estimated kWh deliveries to customers in that customer group over the RDM Adjustment Period. RDM Adjustments shall be rounded to the nearest \$0.00001 per kWh.

Following each RDM Adjustment Period, any difference between amounts required to be charged or credited to customers in each customer group and amounts actually charged or credited will be charged or credited to customers in that customer group, with interest, over a subsequent RDM Adjustment period, or as determined by the Commission if no RDM is in effect. RDM targets will be adjusted, as applicable, to exclude credits applied to customer accounts pursuant to General Information Section No. 7.17(A).

The Company will file a Statement of RDM Adjustments no less than ten calendar days before December 1, 2015, on which the statement becomes effective for one year and will reflect the reconciliation of the prior RDM period through October 31, 2015. Thereafter, Annual RDM Periods are the 12-month periods ending October 31, of each year. The Company will file a Statement of RDM Adjustments during the month following the end of each Annual RDM Period and no less than ten calendar days before December 1 on which the statement becomes effective for one year.

If for any reason, a customer group included in the RDM no longer has any customers, the revenue target for that discontinued customer group, plus any RDM delivery revenue excess or shortfall, will be reallocated to other remaining customer groups to provide for equitable treatment of any revenue excess or shortfall from the discontinued customer group. In the event RDM revenue is reallocated, the Company will consult with Commission Staff regarding such reallocation.

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30. REVENUE DECOUPLING MECHANISM (“RDM”) ADJUSTMENT (Continued)

(C) Delivery Revenue Targets (\$000s)

	12-month period commencing:	
<u>Customer Group</u>	<u>11/1/15</u>	<u>11/1/16</u>
A	\$170,366	\$176,327
B	65,501	67,455
C	18,234	18,724
D	11,405	11,191
E	7,623	7,813
Unbilled Revenue	<u>(522)</u>	<u>566</u>
Total	\$272,607	\$282,076

For the period July 1, 2015 through October 31, 2015, the RDM will be implemented in accordance with the methodology set forth in Appendix E to the Joint Proposal adopted by the Commission in its Order Adopting Terms of a Joint Proposal, With Modification, and Establishing Electric Rate Plan, issued June 15, 2012 in Case No. 11-E-0408. If the Company does not file for new base delivery rates to be effective after November 1, 2017, the RDM will be implemented in accordance with the methodology set forth in Appendix 18 to the Joint Proposal adopted by the Commission in its Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans, issued October 16, 2015 in Case No. 14-E-0493.

(D) Interim RDM Adjustments

If at any time during an Annual RDM Period, the total of cumulative delivery revenue excess/shortfall for all of the Company's service classifications subject to the RDM Adjustment exceeds \$4.1 million and \$4.2 million for the annual RDM periods commencing November 1, 2015 and November 1, 2016, respectively, which are 1.5 percent of the total of the Delivery Revenue Targets for each of the Annual RDM Periods, the Company may implement interim RDM Adjustments by customer group on no less than ten days notice.

Such interim RDM Adjustments shall normally be determined by customer group by dividing the portion of the cumulative delivery revenue excess/shortfall for each customer group by the projected kWh deliveries associated with each customer group for the subsequent twelve-month period.

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30. REVENUE DECOUPLING MECHANISM (“RDM”) ADJUSTMENT (Continued)

(D) Interim RDM Adjustments (Continued)

The Company may implement an interim RDM adjustment for a time period other than the normal time period after consultation with Commission Staff.

These interim RDM Adjustments are subject to reconciliation at the end of the Annual RDM Period as part of the annual RDM Adjustment process described above.

(E) Statement of RDM Adjustments

A Statement of RDM Adjustments, showing the RDM Adjustments by service classification and their effective date shall be filed with the Commission, apart from this Schedule. Such statement shall be filed not less than ten calendar days prior to a proposed change in RDM Adjustments. The Statement of RDM Adjustments shall be made available to the public at Company offices where applications for service may be made.