

Rate Design, Customer and Markets Panel

9/14/10
10-F-0050
227

Exhibit __ (RDCM-6)

Calculation of the Merchant Function Charge
and Billing Backout Credit

Schedule 1

Witness: Rate Design, Customer and Markets Panel

Merchant Function Charge

	Non-Demand (SC-1, SC-1C, SC2ND)	Demand (SC2D, SC3,SC3A)	Streetlighting	Total
1 Historic Test Year Revenue (12 months ended 9/30/09)	\$ 1,809,706,690	\$ 1,091,644,201	\$ 56,187,413	\$ 2,957,538,304
2 Historic Test Year Net Writeoffs (12 months ended 9/30/09)	\$ 48,561,100	\$ 4,337,500	\$ 27,200	\$ 52,925,800
3 Uncollectible factor	2.68%	0.40%	0.05%	
4 Credit & Collections (\$/kWh)	\$ 0.00053	\$ 0.00053	\$ 0.00044	
5 Electric Supply Procurement& Admin (\$/kWh)	\$ 0.00016	\$ 0.00016	\$ 0.00016	
6 Pre Tax Weighted Cost of Capital	11.68%	11.68%	11.68%	
7 Lead Lag Percentage - CWC	3.64%	3.64%	3.64%	
8 Electric Purchased Power related Working Capital	0.425%	0.425%	0.425%	
9 Uncollectible factor	\$ 0.00183	\$ 0.00027	\$ 0.00003	
10 Credit & Collections	\$ 0.00053	\$ 0.00053	\$ 0.00044	
11 Electric Supply Procurement & Administration	\$ 0.00016	\$ 0.00016	\$ 0.00016	
12 Electric Purchased Power related Working Capital	\$ 0.00029	\$ 0.00029	\$ 0.00029	
Total Merchant Function Charge	\$ 0.00281	\$ 0.00124	\$ 0.00092	

1 Supported by Exhibit (RDCM-6), Schedule 1, Sheet 2, Line 1
2 Supported by Exhibit (RDCM-6), Schedule 1, Sheet 2, Line 2
3 Line 2 / Line 1
4 Supported by Exhibit (RDCM-6), Schedule 1, Sheet 4, Line 4
5 Supported by Exhibit (RDCM-6), Schedule 1, Sheet 5, Line 3
6 Supported by Exhibit (RDCM-6), Schedule 1, Sheet 6, Line 1

7 Supported by Exhibit (RDCM-6), Schedule 1, Sheet 6, Line 2
8 Line 6 * Line 7
9 Supported by Exhibit (RDCM-6), Schedule 1, Sheet 2, Line 7
10 Supported by Exhibit (RDCM-6), Schedule 1, Sheet 4, Line 4
11 Supported by Exhibit (RDCM-6), Schedule 1, Sheet 5, Line 3
12 Supported by Exhibit (RDCM-6), Schedule 1, Sheet 6, Line 7

Witness: Rate Design, Customer and Markets Panel

Development of Uncollectible Factor

	Non-Demand (SC-1, SC-1C, SC2ND)	Demand (SC2D, SC3, SC3A)	Streetlighting	Total
1 Historic Test Year Revenue (12 mos ended 9/30/09)	\$ 1,809,706,690	\$ 1,091,644,201	\$ 56,187,413	\$ 2,957,538,304
2 Net Writeoffs (Historic Test Year)	\$ 48,561,100	\$ 4,337,500	\$ 27,200	\$ 52,925,800
3 Uncollectible factor	2.68%	0.40%	0.05%	
4 FY11 Commodity Revenue	\$ 674,543,011	\$ 269,528,082	\$ 7,410,397	\$ 951,481,489
5 Forecast Uncollectible MFC collected	\$ 18,100,475	\$ 1,070,933	\$ 3,587	\$ 19,174,996
6 2011 Forecast Full Service Customer kwh Sales	9,890,216,396	3,992,015,933	130,050,922	14,012,283,251
7 \$/kwhr rate	\$ 0.00183	\$ 0.00027	\$ 0.00003	

1 Supported by Exhibit (RDCM-6), Schedule 1, Sheet 3, Line 6. cols A-C

2 Supported by Exhibit (RDCM-6), Schedule 1, Sheet 3, Line 1, cols A-C

3 Line 2 / Line 1

4 Supported by Exhibit (RDCM-14), Workpapers to Exhibit (RDCM-6), Schedule 1, Workpaper 3, Sheet 2

5 Line 3 * Line 4

6 Supported by Exhibit (RDCM-14), Workpapers to Exhibit (RDCM-6), Schedule 1, Workpaper 4

7 Line 5 / Line 6

Witness: Rate Design, Customer and Markets Panel

Development of Uncollectible Rate by Service Class

	A	B	C	D	E	F
	Non-Demand	Demand	Streetlighting	NYPA	SC11/12	Total
	(SC-1, SC-1C, SC2ND)	(SC2D, SC3, SC3A)				
1 Historic Net Writeoffs	\$ 48,561,100	\$ 4,337,500	\$ 27,200	\$ -	\$ -	\$ 52,925,800
2 Allocation % based on Historic Gross Writeoffs	91.753%	8.195%	0.051%	0.00%	0.00%	
<u>Historic Test Year Revenue</u>						
3 NMPC Historic Test Year Revenue	\$ 1,637,235,490	\$ 961,977,801	\$ 55,476,713	\$ 105,602,855	\$ 74,056,241	\$ 2,834,349,100
4 LPC	\$ 13,711,400	\$ 1,224,700	\$ 7,700	\$ -	\$ -	\$ 14,943,800
5 ESCO POR Revenue	\$ 158,759,800	\$ 128,441,700	\$ 703,000	\$ -	\$ -	\$ 287,904,500
6 Total	\$ 1,809,706,690	\$ 1,091,644,201	\$ 56,187,413	\$ 105,602,855	\$ 74,056,241	\$ 3,137,197,400
7 Uncollectible Rate	2.6834%	0.3973%	0.0484%	0.0000%	0.0000%	
<u>2011 Forecast Rate Year Revenue</u>						
8 Delivery	\$ 1,004,344,392	\$ 790,513,163	\$ 51,312,048	\$ -	\$ -	\$ 1,846,169,604
9 Commodity	\$ 674,543,011	\$ 269,528,081	\$ 7,410,397	\$ -	\$ -	\$ 951,481,489
10 Total	\$ 1,678,887,403	\$ 1,060,041,244	\$ 58,722,445	\$ -	\$ -	\$ 2,797,651,093
<u>Forecast Uncollectible Expense</u>						
11 Delivery	\$ 26,950,261	\$ 3,140,997	\$ 24,840	\$ -	\$ -	\$ 30,116,098
12 Commodity	\$ 18,100,475	\$ 1,070,933	\$ 3,587	\$ -	\$ -	\$ 19,174,996
13	\$ 45,050,736	\$ 4,211,930	\$ 28,427	\$ -	\$ -	\$ 49,291,094
14 Uncollectibles - Delivery	61%					
15 Uncollectibles - Commodity	39%					

- 1 Supported by witness Rudy Wynter and detailed in Exhibit (RLW-5)
- 2 Historic Gross Writeoff percentages as detailed in Exhibit (RDCM-14), Workpapers to Exhibit (RDCM-6), Workpaper 2
- 3 Supported by witness Rudy Wynter and detailed in Exhibit (RLW-5)
- 4 Supported by Exhibit (RLW-5) and allocated between service classes based on Historic Gross Writeoff percentages as detailed in Exhibit (RDCM-14), Workpapers to Exhibit (RDCM-6), Workpaper 2
- 5 ESCO POR Revenue for historic test year ended 9/30/09 supported by Exhibit (RDCM-14), Workpapers to Exhibit (RDCM-6), Workpaper 1, Sheet 2
- 6 Line 3 + Line 4 + Line 5
- 7 Line 1 / Line 6
- 8 Detailed in Exhibit (RDCM-14), Workpapers to Exhibit (RDCM-6), Workpaper 3, Sheet 1
- 9 Detailed in Exhibit (RDCM-14), Workpapers to Exhibit (RDCM-6), Workpaper 3, Sheet 1
- 10 Line 8 + Line 9
- 11 Line 7 * Line 8
- 12 Line 7 * Line 9
- 13 Line 11 + Line 12
- 14 Line 11 (col F) / Line 13 (col F)
- 15 Line 12 (col F) / Line 13 (col F)

Witness: Rate Design, Customer and Markets Panel

Development of Credit and Collection Factor

	A	B	C
	Credit & Collections	Merchant	Commodity Collections
	Total	Function Charge	Component of POR
		80.83%	Discount Rate
Rate Base	\$ 2,712,953		19.17%
CUST. ACCT. & SERV. EXP.	\$ 6,330,550		
ADMINISTRATIVE & GENERAL EXPENSES	\$ 2,158,649		
DEPRECIATION EXPENSE	\$ 210,029		
TAXES	\$ 157,245		
TOTAL	\$ 8,856,473		
RETURN ON RATE BASE	\$ 217,850		
INCOME TAX EXPENSE	\$ 96,901		
1 TOTAL REVENUE REQUIREMENT	\$ 9,171,224	\$ <u>7,412,702</u>	\$ 1,758,522
	Non-Demand	Demand	Streetlighting
2 Total Revenue Requirement	\$ 5,255,159	\$ 2,099,811	\$ 57,732
3 2011 Forecast Full Service Customer kwh Sales	9,890,216,396	3,992,015,933	130,050,922
			14,012,283,251
4 \$/kwh	\$ 0.00053	\$ 0.00053	\$ 0.00044

1 Column A - Supported by Exhibit (RDCM-1), Schedule 13

Columns B&C - Supported by Exhibit (RDCM-14), Workpapers to Exhibit (RDCM-6), Workpaper 1, Sheet 1

2 Allocation to class based on Commodity Revenue % and supported by Exhibit (RDCM-14), Workpapers to Exhibit (RDCM-6), Workpaper 3, Sheet 2

3 Supported by Exhibit (RDCM-14), Workpapers to Exhibit (RDCM-6), Workpaper 4

4 Line 2 / Line 3

Witness: Rate Design, Customer and Markets Panel

Development of Supply Procurement Factor

Rate Base	\$	1,342,875
CUST. ACCT. & SERV. EXP.	\$	235,673
ADMINISTRATIVE & GENERAL EXPENSES	\$	1,766,017
DEPRECIATION EXPENSE	\$	13,624
TAXES	\$	10,200
TOTAL	\$	2,025,514
RETURN ON RATE BASE	\$	107,833
INCOME TAX EXPENSE	\$	47,965
1 TOTAL REVENUE REQUIREMENT	\$	2,181,312
2 2011 Forecast Full Service Customer kwh Sales		14,012,283,251
3 Rate per kWh	\$	0.00016

1 Supported by Exhibit (RDCM-1), Schedule 12

2 Supported by Exhibit (RDCM-14), Workpapers to Exhibit (RDCM-6), Workpaper 4

3 Line 1 / Line 2

Witness: Rate Design, Customer and Markets Panel

Development of Working Capital Factor

1 Pre Tax Weighted Cost of Capital	11.68%
2 Lead Lag Percentage - CWC	3.64%
3 Electric Purchased Power related Working Capital	0.425%
4 Forecast Commodity Revenue	\$ 951,481,489
5 Forecasted revenue	\$ 4,045,243
6 2011 Forecast Full Service Customer kwh Sales	14,012,283,251
7 Rate/kwhr	\$ 0.00029
1 Supported by Exhibit (RRP-6), Schedule 5	
2 Supported by Exhibit (RRP-6), Schedule 5	
3 Line 1 * Line 2	
4 Supported by Exhibit (RDCM-14), Workpapers to Exhibit (RDCM-6), Schedule 1, Workpaper 3, Sheet 2	
5 Line 3 * Line 4	
6 Supported by Exhibit (RDCM-14), Workpapers to Exhibit (RDCM-6), Schedule 1, Workpaper 4	
7 Line 5 / Line 6	

Witness: Rate Design, Customer and Markets Panel

Development of Competitive Billing Backout Credit

	Proposed Billing Backout Credit (including Gas)	
1 Electric Comp Billing Revenue Requirement	\$	20,020,100
2 Gas Comp Billing Revenue Requirement	\$	3,160,136
3 Total Comp Billing Revenue Requirement	\$	23,180,236
4 Total Forecast 2011 Electric Customer Bills		19,569,052
5 Total "Gas Only" Customer Accounts		553,428
6 Total # of bills		20,122,480
7 Total Monthly billing costs	\$	1.15

- 1 Supported by Exhibit (RDCM-1), Schedule 14
- 2 Per Gas Rate Case (08-G-0609) and supported by Exhibit (RDCM-14), Workpapers to (RDCM-6), Schedule 1, Workpaper 5
- 3 Line 1 + Line 2
- 4 Supported by Exhibit (RDCM-4), Schedule 2, column 1
- 5 Supported by Exhibit (RDCM-14), Workpapers to (RDCM-6), Schedule 1, Workpaper 6
- 6 Line 4 + Line 5
- 7 Line 3 / Line 6

Rate Design, Customer and Markets Panel

Exhibit __ (RDCM-6)

Direct Assignments for the
Competitive Functions

Schedule 2

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)
Summary of Electric Competitive Functions
Historic Year Ended September 30, 2009 (per books)

Total

	Total			Collections Processing			Competitive Billing			Competitive Electric Supply		
	Customer Care Allocation	Direct	Total	Customer Care Allocation	Direct	Total	Customer Care Allocation	Direct	Total	Customer Care Allocation	Direct	Total
901000	\$ 363,798	\$ -	\$ 363,798	\$ 53,748	\$ -	\$ 53,748	\$ 71,552	\$ -	\$ 71,552	\$ 432	\$ -	\$ 432
902000	643	85,474	86,117	168	-	168	65	-	65	9	-	9
903000	33,686,146	(193,346)	33,492,699	15,554,812	-	15,554,812	8,971,221	(193,646)	8,777,575	192,622	-	192,622
904000	-	(535)	(535)	-	-	-	-	(535)	(535)	-	-	-
905000	650,298	-	650,298	183,681	-	183,681	410,480	-	410,480	7,023	-	7,023
907000	9,410	-	9,410	863	-	863	1,411	-	1,411	29	-	29
908000	2,889,178	330,653	3,219,831	24,281	-	24,281	69,094	-	69,094	2,747	-	2,747
909000	44,207	-	44,207	13	-	13	51	-	51	-	-	-
910000	1,540,252	-	1,540,252	122,368	-	122,368	99,892	-	99,892	28,677	-	28,677
911000	322	-	322	0	-	0	0	-	0	-	-	-
916000	13,746	-	13,746	3,294	-	3,294	1,471	-	1,471	170	-	170
920000	1,000,303	2,292,178	3,292,381	94,710	-	94,710	226,413	627,161	853,574	4,368	1,507,292	1,511,660
921000	102,977	1,802,935	1,905,912	141,768	-	141,768	124,810	1,522,795	1,647,605	3,682	117,016	120,698
923000	(79,702)	17,339	(62,362)	(15,884)	-	(15,884)	(61,513)	17,339	(44,174)	(949)	-	(949)
925000	984	-	984	114	-	114	28	-	28	28	-	28
926000	211,110	113	211,223	20,734	-	20,734	75,322	113	75,436	843	-	843
927000	1,222	-	1,222	363	-	363	111	-	111	20	-	20
928000	4,948	-	4,948	1,540	-	1,540	3,285	-	3,285	51	-	51
930200	7,715	1,661,231	1,668,946	288	-	288	1,080	-	1,080	2	-	2
930210	-	137	137	-	-	-	-	-	-	-	-	-
Total	\$ 40,447,458	\$ 5,996,079	\$ 46,443,538	\$ 16,186,861	\$ -	\$ 16,186,861	\$ 9,994,774	\$ 1,973,228	\$ 11,968,002	\$ 239,754	\$ 1,624,307	\$ 1,864,062

	Delivery			Meter Data			Meter Services			Uncollectibles		
	Customer Care Allocation	Direct	Total	Customer Care Allocation	Direct	Total	Customer Care Allocation	Direct	Total	Customer Care Allocation	Direct	Total
901000	\$ 237,571	\$ -	\$ 237,571	\$ 99	\$ -	\$ 99	\$ 396	\$ -	\$ 396	\$ -	\$ -	\$ -
902000	349	-	349	10	85,474	85,484	42	-	42	-	-	-
903000	8,526,769	-	8,526,769	88,144	210	88,344	352,577	-	352,577	-	-	-
904000	-	-	-	-	-	-	-	-	-	-	63,991,301	63,991,301
905000	44,410	-	44,410	941	-	941	3,763	-	3,763	-	-	-
907000	6,935	-	6,935	34	-	34	138	-	138	-	-	-
908000	2,791,034	-	2,791,034	972	330,653	331,626	1,050	-	1,050	-	-	-
909000	44,118	-	44,118	13	-	13	13	-	13	-	-	-
910000	1,282,055	-	1,282,055	3,001	-	3,001	4,259	-	4,259	-	-	-
911000	322	-	322	0	-	0	0	-	0	-	-	-
916000	7,799	-	7,799	202	-	202	809	-	809	-	-	-
920000	673,308	-	673,308	431	157,725	158,156	972	-	972	-	-	-
921000	(167,849)	-	(167,849)	171	163,124	163,295	394	-	394	-	-	-
923000	(1,355)	-	(1,355)	-	-	-	-	-	-	-	-	-
925000	807	-	807	3	-	3	4	-	4	-	-	-
926000	114,033	-	114,033	36	-	36	142	-	142	-	-	-
927000	612	-	612	23	-	23	93	-	93	-	-	-
928000	72	-	72	-	-	-	-	-	-	-	-	-
930200	6,341	-	6,341	1	1,661,231	1,661,232	2	-	2	-	-	-
930210	-	-	-	-	137	137	-	-	-	-	-	-
Total	\$ 13,567,333	\$ -	\$ 13,567,333	\$ 94,082	\$ 2,398,544	\$ 2,492,626	\$ 364,654	\$ -	\$ 364,654	\$ -	\$ 63,991,301	\$ 63,991,301

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)

Summary of Electric Competitive Functions
Historic Year Ended September 30, 2009 (per books)

LABOR

	Total			Collections Processing			Competitive Billing			Competitive Electric Supply		
	Customer Care Allocation	Direct	Total	Customer Care Allocation	Direct	Total	Customer Care Allocation	Direct	Total	Customer Care Allocation	Direct	Total
901000	\$ 325,573	\$ -	\$ 325,573	\$ 49,235	\$ -	\$ 49,235	\$ 67,136	\$ -	\$ 67,136	\$ 373	\$ -	\$ 373
902000	460	84,510	84,970	137	-	137	42	-	42	7	-	7
903000	12,277,283	7,221	12,284,503	3,947,793	-	3,947,793	1,645,233	7,221	1,652,453	77,597	-	77,597
904000	-	-	-	-	-	-	-	-	-	-	-	-
905000	579,595	-	579,595	158,583	-	158,583	376,336	-	376,336	6,459	-	6,459
907000	-	-	-	-	-	-	-	-	-	-	-	-
908000	2,228,718	319,168	2,547,886	11,725	-	11,725	22,175	-	22,175	1,953	-	1,953
909000	-	-	-	-	-	-	-	-	-	-	-	-
910000	593,153	-	593,153	60,034	-	60,034	3,880	-	3,880	17,576	-	17,576
911000	-	-	-	-	-	-	-	-	-	-	-	-
916000	13,710	-	13,710	3,294	-	3,294	1,471	-	1,471	170	-	170
920000	1,000,203	1,916,791	2,916,994	94,710	-	94,710	226,413	627,161	853,574	4,568	1,131,904	1,136,273
921000	-	-	-	-	-	-	-	-	-	-	-	-
923000	-	-	-	-	-	-	-	-	-	-	-	-
925000	13	-	13	13	-	13	-	-	-	-	-	-
926000	131,104	-	131,104	5,631	-	5,631	21,578	-	21,578	-	-	-
927000	-	-	-	-	-	-	-	-	-	-	-	-
928000	4,256	-	4,256	848	-	848	3,285	-	3,285	51	-	51
930200	328	1,042,708	1,043,036	0	-	0	0	-	0	-	-	-
930210	-	137	137	-	-	-	-	-	-	-	-	-
Total	\$ 17,154,396	\$ 3,370,555	\$ 20,524,950	\$ 4,332,003	\$ -	\$ 4,332,003	\$ 2,367,549	\$ 634,382	\$ 3,001,931	\$ 108,554	\$ 1,131,904	\$ 1,240,458

	Delivery			Meter Data			Meter Services			Uncollectibles		
	Customer Care Allocation	Direct	Total	Customer Care Allocation	Direct	Total	Customer Care Allocation	Direct	Total	Customer Care Allocation	Direct	Total
901000	\$ 208,823	\$ -	\$ 208,823	\$ 1	\$ -	\$ 1	\$ 5	\$ -	\$ 5	\$ -	\$ -	\$ -
902000	230	-	230	9	84,510	84,519	35	-	35	-	-	-
903000	6,184,810	-	6,184,810	84,370	-	84,370	337,481	-	337,481	-	-	-
904000	-	-	-	-	-	-	-	-	-	-	-	-
905000	33,917	-	33,917	860	-	860	3,441	-	3,441	-	-	-
907000	-	-	-	-	-	-	-	-	-	-	-	-
908000	2,191,210	-	2,191,210	792	319,168	319,959	864	-	864	-	-	-
909000	-	-	-	-	-	-	-	-	-	-	-	-
910000	507,213	-	507,213	1,839	-	1,839	2,610	-	2,610	-	-	-
911000	-	-	-	-	-	-	-	-	-	-	-	-
916000	7,763	-	7,763	202	-	202	809	-	809	-	-	-
920000	673,308	-	673,308	431	157,725	158,156	972	-	972	-	-	-
921000	-	-	-	-	-	-	-	-	-	-	-	-
923000	-	-	-	-	-	-	-	-	-	-	-	-
925000	-	-	-	-	-	-	-	-	-	-	-	-
926000	103,895	-	103,895	(0)	-	(0)	(0)	-	(0)	-	-	-
927000	-	-	-	-	-	-	-	-	-	-	-	-
928000	72	-	72	-	-	-	-	-	-	-	-	-
930200	327	-	327	0	1,042,708	1,042,708	0	-	0	-	-	-
930210	-	-	-	-	137	137	-	-	-	-	-	-
Total	\$ 9,911,569	\$ -	\$ 9,911,569	\$ 88,504	\$ 1,604,249	\$ 1,692,753	\$ 346,217	\$ -	\$ 346,217	\$ -	\$ -	\$ -

SUMMARY OF CUSTOMER CARE ALLOCATIONS
ELECTRIC COMPETITIVE FUNCTIONS
Historic Year Ended September 30, 2009 (per books)

		Collections Processing	Competitive Billing	Competitive Electric Supply	Delivery	Meter Data	Meter Services	Total
Accounts Processing	(1) Exhibit 14, Workpapers to Exhibit (RDCM-6), Sch 2, Workpapers 2&3	\$ 1,402,379	\$ 429,685	\$ 75,549	\$ 2,365,629	\$ 89,714	\$ 358,858	\$ 4,721,815
Call Center (Syracuse & Buffalo)								
NCO/NCI - Contractor for inbound collections calls	(2) Exhibit 14, Workpapers to Exhibit (RDCM-6), Sch 2, Workpapers 4&5	4,768,339	-	-	-	-	-	4,768,339
NCO/NCI - Contractor for connect/disconnect	(3) Exhibit 14, Workpapers to Exhibit (RDCM-6), Sch 2, Workpapers 4&5	-	-	-	1,790,587	-	-	1,790,587
Remainder of Call Center Costs	(4) Exhibit 14, Workpapers to Exhibit (RDCM-6), Sch 2, Workpapers 4&5	266,950	1,022,893	-	4,947,309	-	-	6,237,152
		5,035,289	1,022,893	-	6,737,896	-	-	12,796,078
Collections	(5) Exhibit 14, Workpapers to Exhibit (RDCM-6), Sch 2, Workpaper 6	7,434,107	-	-	-	-	-	7,434,107
Billing and Systems	(6) Exhibit 14, Workpapers to Exhibit (RDCM-6), Sch 2, Workpapers 7&8	2,202,952	8,531,166	131,657	187,925	-	-	11,053,700
Information Technology - dedicated to Customer Systems	(7) Exhibit 14, Workpapers to Exhibit (RDCM-6), Sch 2, Workpapers 9&10	111,171	7,186	32,548	939,253	3,405	4,833	1,098,395
Strategic Accounts	(8) Exhibit 14, Workpapers to Exhibit (RDCM-6), Sch 2, Workpapers 11&12	963	3,844	-	3,336,630	963	963	3,343,363
		\$ 16,186,861	\$ 9,994,774	\$ 239,754	\$ 13,567,333	\$ 94,082	\$ 364,654	\$ 40,447,458

(1) Allocation based on analysis of Account Processing Department employee responsibilities (see accounts processing allocator)

(2) Costs within the Call Center Department associated with NCO/NCI - contractor in inbound collections calls.

(3) Costs within the Call Center Department associated with NCO/NCI - contractor for connect/disconnect calls.

(4) Based on analysis of call types and lengths (CTI) (see call center allocator)

(5) All costs in support of collections processing (see collections allocator)

(6) Based on cost of bill material, letter material and postage (see billing and systems allocator)

(7) Based on number of programs (see IT allocator)

(8) Based on analysis of employee Account Representative responsibilities (see strategic account allocator)

Witness: Rate Design, Customer and Markets Panel

			Collections	Billing	Commodity	Delivery	Meter Data	Meter Services	Total
Accounts Processing	Based on employee analysis	Exhibit 14, Workpapers to Exhibit (RDCM-6), Sch 2, Workpaper 3	29.7%	9.1%	1.6%	50.1%	1.9%	7.6%	100.0%
Call Center	Based on Call (CTI) Analysis	Exhibit 14, Workpapers to Exhibit (RDCM-6), Sch 2, Workpaper 5	4.3%	16.4%	0.0%	79.3%	0.0%	0.0%	100.0%
Collections	Based on actual collections cost	N/A	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
IT	Based on number of programs	Exhibit 14, Workpapers to Exhibit (RDCM-6), Sch 2, Workpaper 10	10.1%	0.7%	3.0%	85.5%	0.3%	0.4%	100.0%
Billing & Systems	Based on cost of bill material, letter material and postage	Exhibit 14, Workpapers to Exhibit (RDCM-6), Sch 2, Workpaper 8	19.9%	77.2%	1.2%	1.7%	0.0%	0.0%	100.0%
Strategic Accts	Based on analysis of Rep's time	Exhibit 14, Workpapers to Exhibit (RDCM-6), Sch 2, Workpaper 12	0.03%	0.12%	0.0%	99.8%	0.03%	0.03%	100.0%

Rate Design, Customer and Markets Panel

Exhibit __ (RDCM-7)

Outdoor Lighting

Schedule 1

Rate Year 2011 Present and Proposed Revenue

Witness: Rate Design, Customer and Markets Panel

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)

Present and Proposed Rate Year Revenues
Rate Year 2011

S.C.1 (PAL)	Energy * (kWh)	Delivery Revenue	Merchant Function Charge	Facility Revenue	Total Revenue
Present 12-Month Total	24,336,570	\$ 1,994,625.31	\$ -	\$ 1,574,404.82	\$ 3,569,030.13
Proposed 12-Month Total	24,248,942	\$ 1,977,016.26	\$ 17,626.02	\$ 1,574,404.82	\$ 3,569,047.10
Proposed minus Present	(87,628)	\$ (17,609.05)	\$ 17,626.02	\$ -	\$ 16.97
percent change:	-0.36%	-0.88%	n/a	0.00%	0.00%
Present Delivery Rate:	\$ 0.08196				
Proposed Delivery Rate:	\$ 0.08153				
percent change:	-0.52%				

S.C.2 & Contract	Energy * (kWh)	Delivery Revenue	Merchant Function Charge	Facility Revenue	Total Revenue
Present 12-Month Total	163,163,685	\$ 13,055,192.65	\$ -	\$ 31,704,733.32	\$ 44,759,925.97
Proposed 12-Month Total	162,860,417	\$ 12,965,619.18	\$ 89,039.20	\$ 31,704,761.55	\$ 44,759,419.93
Proposed minus Present	(303,268)	\$ (89,573.47)	\$ 89,039.20	\$ 28.23	\$ (506.04)
percent change:	-0.19%	-0.69%	n/a	0.00%	0.00%
Present Delivery Rate:	\$ 0.08047				
Proposed Delivery Rate:	\$ 0.08006				
percent change:	-0.51%				

S.C.4 (Traffic)	Energy * (kWh)	Delivery Revenue	Merchant Function Charge	Location Charge Revenue	Total Revenue
Present 12-Month Total	12,772,927	\$ 135,265.30	\$ -	\$ 926,409.90	\$ 1,061,675.20
Proposed 12-Month Total	12,772,927	\$ 125,430.14	\$ 9,872.66	\$ 926,409.90	\$ 1,061,712.70
Proposed minus Present	-	\$ (9,835.15)	\$ 9,872.66	\$ (0.00)	\$ 37.51
percent change:	0.00%	-7.27%	n/a	0.00%	0.00%
Present Delivery Rate:	\$ 0.01059		Present Location Charge:	\$ 23.14	
Proposed Delivery Rate:	\$ 0.00978		Proposed Location Charge:	\$ 23.14	
percent change:	-7.65%		percent change:	0.00%	

S.C.3 & S.C. 6	Energy * (kWh)	Delivery Revenue	Merchant Function Charge	Facility Revenue	Total Revenue
Present 12-Month Total	6,041,295	\$ 331,123.40	\$ -	\$ 5,544.57	\$ 336,667.97
Proposed 12-Month Total	5,984,586	\$ 328,374.26	\$ 3,108.97	\$ 5,544.57	\$ 337,027.79
Proposed minus Present	(56,709)	\$ (2,749.14)	\$ 3,108.97	\$ -	\$ 359.83
percent change:	-0.94%	-0.83%	n/a	0.00%	0.11%
Present Delivery Rate:	\$ 0.05481				
Proposed Delivery Rate:	\$ 0.05487				
percent change:	0.11%				

Outdoor Lighting Total	Energy * (kWh)	Delivery Revenue	Merchant Function Charge	Facility Revenue	Total Revenue
Present 12-Month Total	206,314,478	\$ 15,516,206.65	\$ -	\$ 34,211,092.61	\$ 49,727,299.26
Proposed 12-Month Total	205,866,873	\$ 15,396,439.84	\$ 119,646.85	\$ 34,211,120.84	\$ 49,727,207.52
Proposed minus Present	(447,605)	\$ (119,766.82)	\$ 119,646.85	\$ 28.23	\$ (91.74)
percent change:	-0.22%	-0.77%	n/a	0.00%	0.00%

* The target and proposed kWh reflect the expected net drop in billed kWh resulting from application of the proposed billable wattages.

Witness: Rate Design, Customer and Markets Panel

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)

Present, Target, and Proposed Rate Year Revenues
Rate Year 2011

P.S.C. No. 214 Electricity, S.C. 1
Private Area Lighting

	Energy * (kWh)	Delivery Revenue	Merchant Function Charge	Facility Revenue	Total Revenue
Present 12-Month Total	24,336,570	\$ 1,994,625.31	\$ -	\$ 1,574,404.82	\$ 3,569,030.13
Target 12-Month Total	24,248,942	\$ 1,976,999.29	\$ 17,626.02	\$ 1,574,404.82	\$ 3,569,030.13
Proposed 12-Month Total	24,248,942	\$ 1,977,016.26	\$ 17,626.02	\$ 1,574,404.82	\$ 3,569,047.10
Proposed minus Target	-	\$ 16.97	\$ -	\$ -	\$ 16.97
Proposed minus Present	(87,628)	\$ (17,609.05)	\$ 17,626.02	\$ -	\$ 16.97
percent change:	-0.36%	-0.88%	n/a	0.00%	0.00%
Present Delivery Rate:	\$ 0.08196				
Proposed Delivery Rate:	\$ 0.08153				
percent change:	-0.52%				

* The target and proposed kWh reflect the expected net drop in billed kWh resulting from application of the proposed billable wattages.

Witness: Rate Design, Customer and Markets Panel

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)

**Present, Target, and Proposed Rate Year Revenues
Rate Year 2011**

**P.S.C. No. 214 Electricity, S.C. 2
Full Service Street Lighting**

	Energy * (kWh)	Delivery Revenue	Merchant Function Charge	Facility Revenue	Total Revenue
Present 12-Month Total	160,087,839	\$ 12,882,268.40	\$ -	\$ 31,640,855.74	\$ 44,523,124.14
Target 12-Month Total	159,792,499	\$12,793,521.78	\$84,796	\$31,640,855.74	\$ 44,519,173.84
Proposed 12-Month Total	159,792,499	\$ 12,792,987.51	\$84,796	\$ 31,640,883.97	\$ 44,518,667.80
Proposed minus Target	-	\$ (534.27)	\$ -	\$ 28.22	\$ (506.04)
Proposed minus Present	(295,339)	\$ (89,280.89)	\$ 84,796.32	\$ 28.23	\$ (4,456.35)
percent change:	-0.18%	-0.69%	n/a	0.00%	-0.01%
Present Delivery Rate:	\$ 0.08047				
Proposed Delivery Rate:	\$ 0.08006				
percent change:	-0.51%				

* The target and proposed kWh reflect the expected net drop in billed kWh resulting from application of the proposed billable wattages.

Witness: Rate Design, Customer and Markets Panel

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)

Present, Target, and Proposed Rate Year Revenues
Rate Year 2011

CONTRACT LIGHTING

	Energy * (kWh)	Delivery Revenue	Merchant Function Charge	Facility Revenue	Total Revenue
Present 12-Month Total	3,075,846	\$ 172,924.25	\$ -	\$ 63,877.58	\$ 236,801.83
Target 12-Month Total	3,067,918	\$ 172,631.67	\$ 4,242.88	\$ 63,877.58	\$ 240,752.13
Proposed 12-Month Total	3,067,918	\$ 172,631.67	\$ 4,242.88	\$ 63,877.58	\$ 240,752.13
Proposed minus Target	-	\$ -	\$ -	\$ (0.00)	\$ (0.00)
Proposed minus Present	(7,929)	\$ (292.58)	\$ 4,242.88	\$ -	\$ 3,950.30
percent change:	-0.26%	-0.17%	n/a	0.00%	1.67%
Present Delivery Rate:	\$ 0.08047				
Proposed Delivery Rate:	\$ 0.08006				
percent change:	-0.51%				

* The target and proposed kWh reflect the expected net drop in billed kWh resulting from application of the proposed billable wattages.

Witness: Rate Design, Customer and Markets Panel

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)

Present, Target, and Proposed Rate Year Revenues
Rate Year 2011

P.S.C. No. 214 Electricity, S.C. 3
Energy Only Street Lighting

	Energy * (kWh)	Delivery Revenue	Merchant Function Charge	Facility Revenue	Total Revenue
Present 12-Month Total	5,548,282	\$ 304,101.34	\$ -	\$0.00	\$ 304,101.34
Target 12-Month Total	5,493,909	\$301,372.85	\$2,728	\$0.00	\$ 304,101.34
Proposed 12-Month Total	5,493,909	\$ 301,450.79	\$2,728	\$ -	\$ 304,179.28
Proposed minus Target	-	\$ 77.94	\$ -	\$ -	\$ 77.94
Proposed minus Present	(54,373)	\$ (2,650.55)	\$ 2,728.49	\$ -	\$ 77.94
percent change:	-0.98%	-0.87%	n/a	n/a	0.03%
Present Delivery Rate:	\$ 0.05481				
Proposed Delivery Rate:	\$ 0.05487				
percent change:	0.11%				

* The target and proposed kWh reflect the expected net drop in billed kWh resulting from application of the proposed billable wattages.

Witness: Rate Design, Customer and Markets Panel

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)

**Present, Target, and Proposed Rate Year Revenues
Rate Year 2011**

**P.S.C. No. 214 Electricity, S.C. 4
Traffic Control**

	Energy * (kWh)	Delivery Revenue	Merchant Function Charge	Location Charge Revenue	Total Revenue
Present 12-Month Total	12,772,927	\$ 135,265.30	\$ -	\$ 926,409.90	\$ 1,061,675.20
Target 12-Month Total	12,772,927	\$125,392.64	\$9,873	\$926,409.90	\$ 1,061,675.20
Proposed 12-Month Total	12,772,927	\$ 125,430.14	\$9,873	\$926,409.90	\$ 1,061,712.70
Proposed minus Target	-	\$ 37.51	\$ -	\$ -	\$ 37.51
Proposed minus Present	-	\$ (9,835.15)	\$ 9,872.66	\$ (0.00)	\$ 37.51
percent change:	0.00%	-7.27%	n/a	0.00%	0.00%
Present Delivery Rate:	\$ 0.01059				
Proposed Delivery Rate:	\$ 0.00982				
percent change:	-7.27%				

* Present 12-Month Bill Count: 40,035
Rate Year 12-Month Bill Count: 40,035

Present Monthly Location Charge: \$ 23.14
Proposed Monthly Location Charge: \$ 23.14
percent change in charge: 0.00%

* This represents the number of monthly bills issued across the rate year. An average of about 3,336 bills per month.

Witness: Rate Design, Customer and Markets Panel

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID (COMPANY 36)

**Present, Target, and Proposed Rate Year Revenues
Rate Year 2011**

P.S.C. No. 214 Electricity, S.C. 6
Customer-Owned, Company-Maintained
(Energy Delivery plus Lamp Maintenance)

	Energy * (kWh)	Delivery Revenue	Merchant Function Charge	Facility Revenue	Total Revenue
Present 12-Month Total	493,013	\$ 27,022.06	\$ -	\$ 5,544.57	\$ 32,566.63
Target 12-Month Total	490,677	\$ 26,641.58	\$ 380.48	\$ 5,544.57	\$ 32,566.63
Proposed 12-Month Total	490,677	\$ 26,923.47	\$ 380.48	\$ 5,544.57	\$ 32,848.52
Proposed minus Target	-	\$ 281.89	\$ -	\$ -	\$ 281.89
Proposed minus Present	(2,336)	\$ (98.59)	\$ 380.48	\$ -	\$ 281.89
percent change:	-0.47%	-0.36%	n/a	0.00%	0.87%
Present Delivery Rate:	\$ 0.05481				
Proposed Delivery Rate:	\$ 0.05487				
percent change:	0.11%				

* The target and proposed kWh reflect the expected net drop in billed kWh resulting from application of the proposed billable wattages.