

PSC NO: 219 GAS
 NIAGARA MOHAWK POWER CORPORATION
 INITIAL EFFECTIVE DATE: 08/01/12

STATEMENT TYPE: MFC
 STATEMENT NO: 42
 PAGE 1 OF 2

MERCHANT FUNCTION CHARGE STATEMENT

Applicable to Customers under Service Classification Nos. 1, 2, 12 and 13

Effective with usage on or after the effective date of this statement and thereafter until changed

	SC1 Residential Per Therm	SC2 Residential & Commercial Per Therm	SC2 Industrial Per Therm
Monthly Cost of Gas for August 1, 2012	\$0.38596	\$0.38435	\$0.38435
Uncollectible Factor	<u>2.30%</u>	<u>0.30%</u>	<u>0.30%</u>
Commodity Related Uncollectible Charge (Monthly Cost of Gas * Uncollectible Factor)	\$0.00888	\$0.00115	\$0.00115
Gas Supply Procurement Charge	\$0.00204	\$0.00204	\$0.00204
Commodity Related Credit and Collections Charge	\$0.00419	\$0.00419	\$0.00419
Return Requirement on Gas Storage Inventory	\$0.00580	\$0.00580	\$0.00580
Total Merchant Function Charge	\$0.02091	\$0.01318	\$0.01318

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

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 08/01/12

STATEMENT TYPE: MFC
STATEMENT NO: 42
PAGE 2 OF 2

MERCHANT FUNCTION CHARGE STATEMENT**Applicable to Customers under Service Classification Nos. 1, 2, 12 and 13**

Effective with usage on or after the effective date of this statement and thereafter until changed

	SC12 Distributed Generation Non-Residential <u>Per Therm</u>	SC13 Distributed Generation Residential <u>Per Therm</u>
Monthly Cost of Gas for August 1, 2012	\$0.33434	\$0.35692
Uncollectible Factor	<u>0.30%</u>	<u>0.30%</u>
Commodity Related Uncollectible Charge (Monthly Cost of Gas * Uncollectible Factor)	\$0.00100	\$0.00107
Gas Supply Procurement Charge	\$0.00204	\$0.00204
Commodity Related Credit and Collections Charge	\$0.00419	\$0.00419
Return Requirement on Gas Storage Inventory	\$0.00580	\$0.00580
Total Merchant Function Charge	\$0.01303	\$0.01310

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