

PSC NO: 219 GAS  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: 08/01/10

STATEMENT TYPE: MFC  
 STATEMENT NO: 17  
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### 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<br>Residential<br>Per Therm | SC2<br>Residential &<br>Commercial<br>Per Therm | SC2<br>Industrial<br>Per Therm |
|--|---------------------------------|---|--------------------------------|
| Monthly Cost of Gas for August 1, 2010   | \$0.58995                       | \$0.58995                                       | \$0.57979                      |
| Uncollectible Factor   | <u>2.30%</u>                    | <u>0.30%</u>                                    | <u>0.30%</u>                   |
| Commodity Related Uncollectible Charge<br>(Monthly Cost of Gas * Uncollectible Factor) | \$0.01357                       | \$0.00177                                       | \$0.00174                      |
| Gas Supply Procurement Charge  | \$0.00231                       | \$0.00231                                       | \$0.00231                      |
| Commodity Related Credit and Collections Charge  | \$0.00419                       | \$0.00419                                       | \$0.00419                      |
| Return Requirement on Gas Storage Inventory  | \$0.01062                       | \$0.01062                                       | \$0.01062                      |
| <b>Total Merchant Function Charge</b>  | <b>\$0.03069</b>                | <b>\$0.01889</b>                                | <b>\$0.01886</b>               |

Issued by: Thomas B. King, President, Syracuse, New York

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|  | <b>SC12</b><br><b>Distributed Generation</b><br><b>Non-Residential</b><br><b><u>Per Therm</u></b> | <b>SC13</b><br><b>Distributed Generation</b><br><b>Residential</b><br><b><u>Per Therm</u></b> |
|--|---|---|
| Monthly Cost of Gas for August 1, 2010   | \$0.54660   | \$0.56015   |
| Uncollectible Factor   | <b><u>0.30%</u></b>   | <b><u>0.30%</u></b>   |
| Commodity Related Uncollectible Charge<br>(Monthly Cost of Gas * Uncollectible Factor) | \$0.00164   | \$0.00168   |
| Gas Supply Procurement Charge  | \$0.00231   | \$0.00231   |
| Commodity Related Credit and Collections Charge  | \$0.00419   | \$0.00419   |
| Return Requirement on Gas Storage Inventory  | \$0.01062   | \$0.01062   |
| <b>Total Merchant Function Charge</b>  | <b>\$0.01876</b>  | <b>\$0.01880</b>  |

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