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PSC NO. 220 ELECTRICITY NIAGARA MOHAWK POWER CORPORATION INITIAL EFFECTIVE DATE: MARCH 1, 2010 STATEMENT TYPE: MFC STATEMENT NO. 1

MERCHANT FUNCTION CHARGE ("MFC") STATEMENT APPLICABLE TO BILLINGS UNDER P.S.C. NO. 220 ELECTRICITY

	Non-Demand (SC1, SC1C, SC2ND)	Demand (SC2D, SC3, SC3A)
Electricity Supply Uncollectible Expense Factor	2.68%	0.40%
Working Capital for Purchased Power Factor	.425%	0.425%
Electricity Supply Procurement Charge	\$0.00016	\$0.00016
Electricity Supply Credit and Collection Charge	\$0.00053	\$0.00053

Note: The Electricity Supply Uncollectible Expense Factor and Working Capital for Purchased Power Factor will be multiplied by the Electricity Supply Charge on Customer's bills.

Service Classifications subject to the Merchant Function Charge Rate of Adjustment are defined in Rule No. 42 of P.S.C. No. 220 Electricity, General Information Section.

Rate of Adjustment shown is exclusive of Gross Receipt Taxes.