

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: JANUARY 1, 2015

LEAF: 222.1
REVISION: 6
SUPERSEDING REVISION: 5

GENERAL INFORMATION

42. MERCHANT FUNCTION CHARGE (CONTINUED)

42.3.2 Electricity Supply Credit and Collection

42.3.2.1 The Electricity Supply Credit and Collection rates shall become effective April 1, 2013 and shall be adjusted pursuant to Rules 42.3.2.2 below.

42.3.2.2 The Electricity Supply Credit and Collection rate will be reset April 1, 2013 and each April 1 thereafter by dividing the revenue requirement of \$7,508,682 for non-demand customers, \$330,883 for demand customers, and \$1,863 for lighting customers by the forecasted sales of non-demand, demand and lighting full service customers for that period and the forecasted sales of non-demand, demand and lighting ESCo's customers who are participating in the Company's Purchase of Receivables Program

42.3.2.2.1 Any over/under collections, including carrying charges using the pretax weighted average cost of capital, related to Electricity Supply Credit and Collections for the year shall be divided by the forecast sales of full service customers and the forecasted sales of ESCo customers who are participating in the Company's Purchase of Receivables Program for the following year and added to the Electricity Supply Credit and Collections rates effective April 1 of that following year.

42.3.2.2.2 However, the rate effective April 1, 2013 will contain the remaining reconciliation for calendar year 2012, plus the reconciliation for January 1, 2013 through March 31, 2013.

42.3.2.3 ESCos who are participating in the Company's Purchase of Receivables Program are subject to the Electricity Supply Credit and Collection rates.

42.3.2.4 The total per kWh Electricity Supply Credit and Collections Rate, which equals the over/under collection related to Electricity Supply Credit and Collections for the previous period (s) added to the current year Electricity Supply Credit and Collections, shall be included in the filed Statement of Merchant Function Charge not less than three (3) days prior to their effective date.

42.3.3 Electricity Supply Uncollectible Expense

42.3.3.1 The Electricity Supply Uncollectible Expense rates will be determined separately for non-demand, demand and street lighting customers. The rates will be calculated by multiplying the uncollectible percentage factor by the Electricity Supply Cost and Electricity Supply Reconciliation Mechanism ("ESRM") on customer's bills. The uncollectible percentage factor will be 2.34% for non-demand customers, 0.29% for demand, and 0.07% for street lighting customers and shall be included in the filed Statement of Merchant Function Charge not less than three (3) days prior to the effective date.

42.3.3.2 The Electric Supply Uncollectible Expense rate will be a discount to the ESCO's receivables purchased by the Company.

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GENERAL INFORMATION

42. MERCHANT FUNCTION CHARGE (CONTINUED)

42.3.4 Working Capital on Purchased Power Costs

42.3.4.1 The Working Capital on Purchased Power rates will be calculated by multiplying the working capital percentage factor by the Electricity Supply Cost and Electricity Supply Reconciliation Mechanism ("ESRM"), on customers' bills. The percentage factor shall be included in the filed Statement of Merchant Function Charge not less than three (3) days prior to the effective date.

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STATEMENT TYPE: MFC
 STATEMENT NO. 9

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

	<u>Non-Demand</u> (SC1, SC1C, SC2ND)	<u>Demand</u> (SC2D, SC3, SC3A)
Electricity Supply Uncollectible Expense Factor	2.34%	0.29%
Working Capital on Purchased Power Costs Factor	0.356%	0.356%
Electricity Supply Procurement Charge	\$0.00009	\$0.00009
Electricity Supply Credit and Collection Charge	\$0.00058	\$0.00005

Note: The Electricity Supply Uncollectible Expense Factor and Working Capital for Purchased Power Factor will be multiplied by the Electricity Supply Charge and the Electricity Supply Reconciliation Mechanism (“ESRM”) 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.

PSC NO. 214 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: JANUARY 1, 2015

STATEMENT TYPE: MFC
STATEMENT NO. 9

MERCHANT FUNCTION CHARGE (“MFC”) STATEMENT
APPLICABLE TO BILLINGS UNDER P.S.C. NO. 214 ELECTRICITY

Electricity Supply Uncollectible Expense Factor	0.07%
Working Capital on Purchased Power Costs Factor	0.356%
Electricity Supply Procurement Charge	\$0.00009
Electricity Supply Credit and Collection Charge	\$0.00002

Note: The Electricity Supply Uncollectible Expense Factor and Working Capital for Purchased Power Factor will be multiplied by the Electricity Supply Charge and the Electricity Supply Reconciliation Mechanism (“ESRM”) 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.

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

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