

PSC NO: 219 GAS  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: 06/01/12  
STAMPS:

LEAF: 122.6.1  
REVISION: 0  
SUPERSEDING REVISION:

### GENERAL INFORMATION

#### 33. MERCHANT FUNCTION CHARGE: (continued)

33.1.4.2.4 The Actual Return Requirement on Gas in Storage will be determined by multiplying the: 1) Return Requirement Percentage of 10.95% by 2) the thirteen point weighted average cost of storage inventory for the period March 16, 2013 to March 15, 2014 and for each subsequent 12-month period thereafter.

33.1.4.2.5 The resulting over/under collection will be divided by the projected sales of the SC 1, 2, 3, 12 and 13 sales customers to determine a per therm credit or surcharge to be refunded or recovered over the 12-month period starting June 1<sup>st</sup> from the SC 1, 2, 3, 12 and 13 sales customers. The per therm credit or surcharge will be added to the Return Requirement on Gas Storage Inventory per therm rate in effect at that time.

#### 33.1.5 Return Requirement on Working Capital for Purchased Gas

33.1.5.1 Effective April 1, 2013, the Return Requirement on Working Capital for Purchased Gas will be charged to SC 1, 2, 3, 12 and 13 sales customers.

33.1.5.2 The Return Requirement on Working Capital for Purchased Gas will be calculated monthly as follows: Multiply the 1) the lead-lag rate by 2) Return Requirement Percentage of 10.95% by 3) the total Effective Monthly Cost of Gas set forth on the Monthly Cost of Gas ("MCG") Statement for SC 1, 2, 3, 12 and 13 sales customers.

33.1.5.3 The Return Requirement on Working Capital for Purchased Gas per therm rate will be filed on the Statement of Merchant Function Charge not less than two business days prior to the date on which the statement is proposed to be effective.

33.2. The sum of the rates calculated in accordance with Rules 33.1.1, 33.1.2, 33.1.3, 33.1.4 and 33.1.5 shall be filed on the Statement of Merchant Function Charge not less than two business days prior to the date on which the statement is proposed to be effective.

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