

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 7/01/09
STAMPS: Issued in Compliance with Order of PSC in Case 09-M-0311 dated 06/19/09.

LEAF: 122.7
REVISION: 2
SUPERSEDING REVISION: 1

GENERAL INFORMATION

34. LATE PAYMENT CHARGE TRUE UP:

- 34.1 The rates for gas service under Service Classification Nos, 1, 2, and 3 customers taking commodity service from the Company shall be subject to a refund/surcharge for the difference between the \$1,711,070 late payment charge("LPC") revenue requirement included in base delivery rates and the calculated commodity-related late payment charge revenue.
- 34.2 Commencing in June 2009, SC1, 2, and 3 customers purchasing commodity service from the Company will be surcharged/refunded for 1) LPC Revenue in Base Rates for the upcoming month minus 2) Assumed Actual LPC Revenue.
 - 34.2.1 The monthly amount of commodity related LPC Revenue in Base Rates for the given service classification will be as stated on Appendix L13 Page 2 of 2 of the Joint Proposal dated February 13, 2009 in Case 08-G-0609 for the given month and service classification.
 - 34.2.2 The Assumed Actual LPC Revenue will be equal to the filed MCG Rate per therm for the applicable Service Classification multiplied by the appropriate "Percent of Revenue for LPC", set forth on Appendix L13 Page 2 of 2, times the forecasted sales for the upcoming month.
 - 34.2.3 The difference between the LPC Revenue in Base Rates calculated in accordance with Section 34.2.1 and the Assumed Actual LPC Revenue calculated in accordance with Section 34.2.2 will be divided by throughput for the applicable Service Classification for the upcoming month.
- 34.3 The resulting rate per therm calculated in accordance with Rule 34.2 shall be filed on the Statement of Late Payment Charge Refund/Surcharge not less than three (3) days prior to its effective date.

35. INCREMENTAL STATE ASSESSMENT SURCHARGE:

- 35.1 The rates and charges under Service Classifications 1, 2, 3, 4, 5, 6, 7, 8, 10, 12, 13 and non electric generators taking service under Service Classification No. 9 ("Applicable Service Classes") shall be increased by a surcharge to recover the Temporary State Energy And Utility Service Conservation Assessment imposed pursuant to Chapter 59 of the Laws of 2009, Public Service Law §18-a(6). The surcharge shall be set forth on the Statement of Incremental State Assessment Surcharge. The Incremental State Assessment shall be effective beginning May 20, 2009 and shall initially be set to recover \$25,100,000 as stated in the "Order Adopting The Terms of a Joint Proposal and Implementing a State Assessment Surcharge, Issued and Effective May 15, 2009."
 - 35.1.1 Beginning July 1, 2009 and each July 1st thereafter, the Incremental State Assessment Surcharge shall be designed to recover the Incremental State Assessment and other allowable associated costs as determined in Case 09-M-0311, "Implementation of Chapter 59 of the Laws of 2009 Establishing a Temporary Annual Assessment Pursuant to PSL §18-a(6)".

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