

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 09/02/10
STAMPS:

LEAF: 122.6
REVISION: 4
SUPERSEDING REVISION: 3

GENERAL INFORMATION

33. MERCHANT FUNCTION CHARGE: (continued)

- 33.1.4.3 The Requirement on Gas Storage Inventory, recovered from Service Classification Nos. 1, 2, 12 and 13 customers, shall be reconciled to the Actual Return Requirement on Gas in Storage. The initial reconciliation shall be for the period May 20, 2009 through May 31, 2010, and each Earnings Year thereafter.
- 33.1.4.3.1 The Actual Return Requirement on Gas in Storage shall be determined by multiplying the Return Requirement Percentage of 10.69% by the Actual Average Gas Storage Inventory Balance for the Earnings Year for SC1, 2, 12 and 13 customers calculated in accordance with 33.1.4.3.2 below.
- 33.1.4.3.2 The Actual Average Gas Storage Inventory Balance for the Earnings Year for SC1, 2, 12 and 13 shall be equal to a thirteen point weighted average cost of storage inventory calculated using monthly volumes fixed at 110,003,357 dth priced out at the Company's actual weighted average cost of gas in storage, multiplied by 0.990828212 to exclude Service Classification No. 3.
- 33.1.4.3.3 The resulting over/under collection computed in Rule 33.1.4.3 shall be divided by estimated throughput for customers served under Service Classification Nos. 1, 2, 12 and 13 purchasing commodity from the Company for the subsequent September – August time period.
- 33.1.4.4 The sum of the rates calculated in accordance with Rules 33.1.4.2 and Rules 33.1.4.3 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: Thomas B. King, President, Syracuse, New York