

PSC NO: 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: JULY 1, 2022  
STAMPS: Issued in Compliance with Order in Case 20-E-0380, issued January 20, 2022.

LEAF: 222.1  
REVISION: 12  
SUPERSEDING REVISION: 11

#### 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 be adjusted pursuant to Rules 42.3.2.2 below.

42.3.2.2 The Electricity Supply Credit and Collection rate will be set by dividing the revenue requirement of \$1,370,479 for non-demand customers, \$43,179 for demand customers, and \$286 for lighting customers by the forecasted sales of non-demand, demand and lighting full service customers for the applicable annual 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 for the following year.

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"), and the Clean Energy Standard Supply ("CESS") charge on customer's bills. The uncollectible percentage factor will be 1.97% for non-demand customers, 0.20% 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.