

PSC NO: 219 GAS

LEAF: 122.4

NIAGARA MOHAWK POWER CORPORATION

REVISION: 16

INITIAL EFFECTIVE DATE: 02/01/22

SUPERSEDING REVISION: 15

STAMPS: Issued in compliance with order in Case 20-G-0381 dated January 20, 2022

GENERAL INFORMATION

33. MERCHANT FUNCTION CHARGE:

The Merchant Function Charge consists of the following gas commodity related cost components:

- 1) Gas Supply Procurement Expenses
- 2) Commodity Related Credit and Collection Expenses
- 3) Commodity Related Uncollectible Expenses
- 4) Return Requirement on Gas Storage Inventory
- 5) Return Requirement on Working Capital for Purchased Gas

33.1 Calculation of Merchant Function Rate per Therm

33.1.1 Gas Supply Procurement Expenses

33.1.1.1 Effective February 1, 2022 and September 1, 2022

33.1.1.1.1 Effective February 1, 2022, the total Gas Supply Procurement Expenses target for the 12-month period is set at \$673,406.
Effective September 1, 2022, the total Gas Supply Procurement Expenses target for the 12-month period is set at \$673,774

33.1.1.1.2 Applicable to SC Nos. 1, 2, 5, 7, 8, 12 and 13 sales customers.

33.1.1.1.3 The per therm rate is determined for the 12-month period by dividing the annual target by the projected annual sales of the SC Nos. 1, 2, 5, 7, 8, 12 and 13 sales customers.

33.1.1.1.4 Recoveries of the Gas Supply Procurement Expenses per therm rate for the period September 1, 2022 to August 31, 2023 will be reconciled to the \$673,774.

33.1.1.1.5 The resulting over or under collection (adjusted for simple interest at the Commission's other customer capital rate) will be divided by the projected annual sales of the SC Nos. 1, 2, 5, 7, 8, 12 and 13 sales customers to determine the per therm credit or surcharge to be refunded or recovered over the 12-month period beginning January 1st through December 31 after the reconciliation period. The per therm refund or surcharge will be added to the Gas Supply Procurement Expenses per therm rate in effect at that time.

33.1.1.1.6 The Company will combine any over/under recovery for the period February 1, 2022 through August 31, 2022 with over/under recoveries for the period September 1, 2022 through August 31, 2023. The total over/under recovery amount (adjusted for simple interest at the Commission's other customer capital rate) will be credited or surcharged beginning January 1, 2024.