

PSC NO: 219 GAS
 NIAGARA MOHAWK POWER CORPORATION
 INITIAL EFFECTIVE DATE: 09/01/20
 STAMPS:

LEAF: 122.4
 REVISION: 14
 SUPERSEDING REVISION: 11

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 July 1, 2021 and September 1, 2021

33.1.1.1.1 Effective July 1, 2021 the total Gas Supply Procurement Expenses target for the 12-month period is set at \$669,463. Effective September 1, 2021, the total Gas Supply Procurement Expenses target for the 12-month period is set at \$669,691.

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 Gas Supply Procurement Expenses per therm rate is determined July 1st by dividing the \$669,463 for July 1, 2021 and \$669,691 for September 1, 2021 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, 2021 to August 31, 2022 will be reconciled to the \$669,691 annual target.

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 July 1, 2021 through August 31, 2021 with over/under recoveries for the period September 1, 2021 to August 31, 2022. 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, 2023.