

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 06/01/17
STAMPS:

LEAF: 96.1
REVISION: 6
SUPERSEDING REVISION: 5

GENERAL INFORMATION

17. ADJUSTMENT OF RATES IN ACCORDANCE WITH CHANGES IN THE COST OF PURCHASED GAS: (continued)

17.7 Annual Cost of Gas Surcharge or Refund:

17.7.1 A surcharge or refund (adjusted for simple interest at the Commission's other customer capital rate) to recover Monthly Cost of Gas under-collections or to refund Monthly Cost of Gas over-collections for each 12-month period ending August 31st will be computed for sales customers served under Service Classification Nos. 1, 2, 3, 12 and 13 by taking: 1) allowed gas expense and subtracting the; 2) Monthly Cost of Gas revenues (exclusive of gross revenue taxes); and 3) Other Revenues/Adjustments and then adding; 4) the LAUF Adjustment.

17.7.1.1 The allowed gas expense is determined by taking :

- 1) The cost of purchased gas including Risk Management Costs as recorded on the books of the Company for the 12-month period ending August 31st

And then subtracting:

- 2) Cost of gas related to sales to Service Classification No. 10
- 3) Daily and monthly cashouts for under deliveries, true up charges for under deliveries and other charges collected pursuant to Service Classification No. 11
- 4) Capacity release credits received pursuant to Service Classification No. 11
- 5) Gas costs associated with Off-System Transactions
- 6) Stranded Capacity Costs calculated in accordance with Rule 17.9 of the General Information Section

And then adding:

- 7) Daily and monthly cashouts for over deliveries, true up charges for over deliveries, and any other charges paid by the Company to Marketers pursuant to Service Classification No. 11

17.7.1.2 The Monthly Cost of Gas revenues are determined for sales customers served under Service Classification Nos. 1, 2, 3, 12 and 13.

17.7.1.3 Other Revenues/Adjustments are equal to the sum of:

- 1) Standby charges collected from residential and human needs delivery only customers in accordance with Rule 3.2.2 of the General Information Section
- 2) Unauthorized usage penalty charges collected in accordance with Rule 3.3 of the General Information Section
- 3) Monthly Balancing Charges, Demand Transfer Recovery charges, Forced Balancing OFO penalty charges, penalty charges for daily imbalances and storage inventory charges collected pursuant to Service Classification No. 11
- 4) Supplier refunds in accordance with Rule 17.6 of the General Information Section

Issued By: Kenneth D. Daly, President, Syracuse, New York