

PSC NO: 219 GAS  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: 04/01/13  
STAMPS: Issued in compliance with order in Case No. 12-G-0202 dated March 15, 2013

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### GENERAL INFORMATION

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

##### 17.6.3.2 Refund Period:

17.6.3.2.1 All refunds received each month with interest will be combined and refunded over a 12-month period.

17.6.3.3 Any difference between the amounts to be refunded and amounts actually refunded at the end of the refund period, or refunds held by the Company because the amounts are too small to be credited separately, will be included in the next Annual Surcharge or Refund Computation Rule 17.7.

17.6.4 Where exceptional circumstances warrant, the Company may petition the Commission for a waiver or modification of the above refund plan.

##### 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 31<sup>st</sup> 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: the cost of purchased gas as recorded on the books of the Company for the 12-month period ending August 31<sup>st</sup>, and then subtracting; 1) the cost of gas related to sales to Service Classification No. 10 customers; 2) the cost of gas for customers taking standby sales service under Service Classification No. 8; 3) cashout for under delivery revenues collected from Marketers/Direct Customers under Service Classification No. 11; 4) capacity release revenues associated with NYSEG and customers migrating to delivery only service; 5) gas costs associated with sale for resale pursuant to the Company's FERC Sale for Resale Certificate and 6) Stranded Capacity Costs calculated in accordance with Rule 17.9 of the General Information Section of this schedule and then adding 7) cashout for over delivery revenues paid to Marketers/Direct Customers under 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.

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