

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

LEAF: 122.5  
REVISION: 6  
SUPERSEDING REVISION: 4

### GENERAL INFORMATION

#### 33. MERCHANT FUNCTION CHARGE: (continued)

##### 33.1.2 Commodity Related Credit and Collection Expenses (continued)

33.1.2.2.1.3 The Residential Commodity Related Credit and Collection Expenses per therm rate is determined for each 12-month period starting April 1<sup>st</sup> by dividing the \$2,600,935 target by the projected annual deliveries to the SC No. 1 sales customers and applicable SC No. 1MB transportation customers.

33.1.2.2.1.4 Recoveries of the Residential Commodity Related Credit and Collection Expenses per therm rate for the period April 1, 2013 - March 31, 2014 and each subsequent 12-month period ending March 31<sup>st</sup> thereafter will be reconciled to the \$2,600,935 target

33.1.2.2.1.5 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 SC No, 1 sales customers and applicable SC No, 1MB transportation customers to determine the per therm credit or surcharge to be refunded or recovered over the 12-month period beginning June 1<sup>st</sup> after the reconciliation period. The per therm credit or surcharge will be added to the Residential Commodity Related Credit and Collection Expenses per therm rate in effect at that time.

##### 33.1.2.2.2 Non Residential Commodity Related Credit and Collection Expenses

33.1.2.2.2.1 The Non Residential Commodity Related Credit and Collection Expenses Target is set at \$145,782 for the period April 1, 2013 to March 31, 2014 and each subsequent 12-month period beginning April 1<sup>st</sup> thereafter.

33.1.2.2.2.2 Applicable to SC Nos. 2, 3, 12 and 13 sales customers and Marketers participating in the Company's Purchase of Receivables program that serve the SC Nos. 2MB, 5, 7, 8, 12DB, 12MB and 13MB transportation customers.

33.1.2.2.2.3 The Non Residential Commodity Related Credit and Collection Expenses per therm rate is determined for each 12-month period starting April 1<sup>st</sup> by dividing the \$145,782 target by the projected annual sales of the to SC Nos. 2, 3, 12 and 13 sales customers and applicable SC Nos. 2MB, 5, 7, 8, 12DB, 12MB and 13MB, transportation customers.

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