

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: 122.4.1  
REVISION: 1  
SUPERSEDING REVISION:

### GENERAL INFORMATION

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

##### 33.1.1 Gas Supply Procurement Expenses (continued)

33.1.1.2.4 Recoveries of the Gas Supply Procurement Expenses per therm rate for the period April 1, 2013 to March 31, 2014 and each subsequent 12-month period ending March 31<sup>st</sup> thereafter will be reconciled to the \$1,172,739 annual target.

33.1.1.2.5 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, 3, 12 and 13 sales 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 refund or surcharge will be added to the Gas Supply Procurement Expenses per therm rate in effect at that time.

33.1.1.3 The resulting rate shall be filed on the Statement of Merchant Function Charge not less than two business days prior to the date on which the statement is proposed to be effective.

##### 33.1.2 Commodity Related Credit and Collection Expenses

###### 33.1.2.1 Until March 31, 2013

33.1.2.1.1 The Commodity Related Credit and Collection Expenses per therm rate is set at \$0.00419 per therm

33.1.2.1.2 Applicable to SC Nos. 1, 2, 12 and 13 sales customers and to Marketers participating in the Company's Purchase of Receivables program.

###### 33.1.2.2 Effective April 1, 2013

###### 33.1.2.2.1 Residential Commodity Related Credit and Collection Expenses

33.1.2.2.1.1 The Residential Commodity Related Credit and Collection Expenses Target is set at \$2,600,935 for the period April 1, 2013 to March 31, 2014 and each subsequent 12-month period starting April 1<sup>st</sup> thereafter.

33.1.2.2.1.2 Applicable to SC No. 1 sales customers and Marketers participating in the Company's Purchase of Receivables program that serve SC No. 1MB transportation customers.

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