

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION

INITIAL EFFECTIVE DATE: 05/20/09

STAMPS: Issued in Compliance with Order of PSC in Case 08-G-0609 dated 05/15/09.

STATEMENT TYPE: MFC

STATEMENT NO: 2

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MERCHANT FUNCTION CHARGE STATEMENT

Applicable to Customers under Service Classification Nos. 1, 2, 12 and 13

Effective with usage on or after the effective date of this statement and thereafter until changed

| | SC1 Residential <u>Per Therm</u> | SC2 Residential & Commercial <u>Per Therm</u> | SC2 Industrial <u>Per Therm</u> |
|--|---|--|--|
| Monthly Cost of Gas for May 20, 2009 | \$ 0.44298 | \$ 0.44298 | \$ 0.43201 |
| Uncollectible Factor | <u>2.30%</u> | <u>0.30%</u> | <u>0.30%</u> |
| Commodity Related Uncollectible Charge (Monthly Cost of Gas * Uncollectible Factor) | \$ 0.01019 | \$ 0.00133 | \$ 0.00130 |
| Gas Supply Procurement Charge | \$ 0.00196 | \$ 0.00196 | \$ 0.00196 |
| Commodity Related Credit and Collections Charge | \$ 0.00419 | \$ 0.00419 | \$ 0.00419 |
| Return Requirement on Gas Storage Inventory | <u>\$ 0.01241</u> | <u>\$ 0.01241</u> | <u>\$ 0.01241</u> |
| Total Merchant Function Charge | \$ 0.02875 | \$ 0.01989 | \$ 0.01986 |

Issued By: Thomas B. King, President, Syracuse, New York

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| | SC12 Distributed Generation Non-Residential <u>Per Therm</u> | SC13 Distributed Generation Residential <u>Per Therm</u> |
|--|---|---|
| Monthly Cost of Gas for May 20, 2009 | \$ 0.39616 | \$ 0.41079 |
| Uncollectible Factor | <u>0.30%</u> | <u>0.30%</u> |
| Commodity Related Uncollectible Charge (Monthly Cost of Gas * Uncollectible Factor) | \$ 0.00119 | \$ 0.00123 |
| Gas Supply Procurement Charge | \$ 0.00196 | \$ 0.00196 |
| Commodity Related Credit and Collections Charge | \$ 0.00419 | \$ 0.00419 |
| Return Requirement on Gas Storage Inventory | <u>\$ 0.01241</u> | <u>\$ 0.01241</u> |
| Total Merchant Function Charge | \$ 0.01975 | \$ 0.01979 |

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