PSC NO: 219 GAS NIAGARA MOHAWK POWER CORPORATION INITIAL EFFECTIVE DATE: 10/01/11

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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 October 1, 2011	\$0.55551	\$0.55551	\$0.55551
Uncollectible Factor	<u>2.30%</u>	<u>0.30%</u>	<u>0.30%</u>
Commodity Related Uncollectible Charge (Monthly Cost of Gas * Uncollectible Factor)	\$0.01278	\$0.00167	\$0.00167
Gas Supply Procurement Charge	\$0.00263	\$0.00263	\$0.00263
Commodity Related Credit and Collections Charge	\$0.00419	\$0.00419	\$0.00419
Return Requirement on Gas Storage Inventory	\$0.00932	\$0.00932	\$0.00932
Total Merchant Function Charge	\$0.02892	\$0.01781	\$0.01781

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

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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

	SC12 Distributed Generation Non-Residential <u>Per Therm</u>	SC13 Distributed Generation Residential <u>Per Therm</u>
Monthly Cost of Gas for October 1, 2011	\$0.51514	\$0.52573
Uncollectible Factor	<u>0.30%</u>	<u>0.30%</u>
Commodity Related Uncollectible Charge (Monthly Cost of Gas * Uncollectible Factor)	\$0.00155	\$0.00158
Gas Supply Procurement Charge	\$0.00263	\$0.00263
Commodity Related Credit and Collections Charge	\$0.00419	\$0.00419
Return Requirement on Gas Storage Inventory	\$0.00932	\$0.00932
Total Merchant Function Charge	\$0.01769	\$0.01772

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