

PSC NO: 219 GAS  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: 02/01/12

STATEMENT TYPE: MFC  
 STATEMENT NO: 35  
 PAGE 1 OF 2

**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

|  | <b>SC1</b>              | <b>SC2</b>               | <b>SC2</b>              |
|--|-------------------------|--------------------------|-------------------------|
|  | <b>Residential</b>      | <b>Residential &amp;</b> | <b>Industrial</b>       |
|  | <b>Per Therm</b>        | <b>Commercial</b>        | <b>Per Therm</b>        |
|  | <b><u>Per Therm</u></b> | <b><u>Per Therm</u></b>  | <b><u>Per Therm</u></b> |
| Monthly Cost of Gas for February 1, 2012   | \$0.52896               | \$0.52765                | \$0.52765               |
| Uncollectible Factor   | <b><u>2.30%</u></b>     | <b><u>0.30%</u></b>      | <b><u>0.30%</u></b>     |
| Commodity Related Uncollectible Charge<br>(Monthly Cost of Gas * Uncollectible Factor) | \$0.01217               | \$0.00158                | \$0.00158               |
| 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               |
| <b>Total Merchant Function Charge</b>  | <b>\$0.02831</b>        | <b>\$0.01772</b>         | <b>\$0.01772</b>        |

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

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|  | <b>SC12</b><br><b>Distributed Generation</b><br><b>Non-Residential</b><br><b><u>Per Therm</u></b> | <b>SC13</b><br><b>Distributed Generation</b><br><b>Residential</b><br><b><u>Per Therm</u></b> |
|--|---|---|
| Monthly Cost of Gas for February 1, 2012   | \$0.48692   | \$0.50531   |
| Uncollectible Factor   | <b><u>0.30%</u></b>   | <b><u>0.30%</u></b>   |
| Commodity Related Uncollectible Charge<br>(Monthly Cost of Gas * Uncollectible Factor) | \$0.00146   | \$0.00152   |
| 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   |
| <b>Total Merchant Function Charge</b>  | <b>\$0.01760</b>  | <b>\$0.01766</b>  |

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