

PSC NO: 219 GAS
 NIAGARA MOHAWK POWER CORPORATION
 INITIAL EFFECTIVE DATE: 10/01/09

STATEMENT TYPE: MFC
 STATEMENT NO: 7
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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 Per Therm | SC2 Residential & Commercial Per Therm | SC2 Industrial Per Therm |
|--|---------------------------------|---|--------------------------------|
| Monthly Cost of Gas for October 1, 2009 | \$0.69781 | \$0.69781 | \$0.68779 |
| Uncollectible Factor | <u>2.30%</u> | <u>0.30%</u> | <u>0.30%</u> |
| Commodity Related Uncollectible Charge (Monthly Cost of Gas * Uncollectible Factor) | \$0.01605 | \$0.00209 | \$0.00206 |
| 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 | \$0.01241 | \$0.01241 | \$0.01241 |
| Total Merchant Function Charge | \$0.03461 | \$0.02065 | \$0.02062 |

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 October 1, 2009 | \$0.65506 | \$0.66842 |
| Uncollectible Factor | <u>0.30%</u> | <u>0.30%</u> |
| Commodity Related Uncollectible Charge (Monthly Cost of Gas * Uncollectible Factor) | \$0.00197 | \$0.00201 |
| Gas Supply Procurement Charge | \$0.00196 | \$0.00196 |
| Commodity Related Credit and Collections Charge | \$0.00419 | \$0.00419 |
| Return Requirement on Gas Storage Inventory | \$0.01241 | \$0.01241 |
| Total Merchant Function Charge | \$0.02053 | \$0.02057 |

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