

PSC NO: 219 GAS  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: 06/01/12  
STAMPS:

LEAF: 122.4.1  
REVISION: 0  
SUPERSEDING REVISION:

### GENERAL INFORMATION

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

33.1.1.2.3 The resulting over/under collection will be divided by the projected sales of the SC1, 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 starting June 1, 2014 and each 12-month period starting June 1<sup>st</sup> thereafter. The per therm refund or surcharge will be added to the Gas Supply Procurement Expenses per therm rate in effect at that time for the SC1, 2, 3, 12 and 13 sales customers.

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 the Commodity Related Credit and Collection Expenses rate is equal to \$0.00419 per therm and is charged to SC1, 2, 12 and 13 sales customers and to the deliveries of Marketers participating in the Company's Purchase of Receivables program.

#### 33.1.2.2 Effective April 1, 2013

33.1.2.2.1 For SC1 sales customers and Marketers participating in the Company's Purchase of Receivables program that serve the SC 1MB transportation customers.

33.1.2.2.1.1 The Commodity Related Credit and Collection Expenses annual target will equal \$2,549,074.

33.1.2.2.1.2 The Commodity Related Credit and Collection Expenses per therm rate will be determined each April 1<sup>st</sup> by dividing the \$2,549,074 annual target by the projected sales of the SC1 sales customers plus the Marketer's projected deliveries to the SC 1MB transportation customers.

33.1.2.2.1.3 The Commodity Related Credit and Collection Expenses recovered for the period April 1, 2013 to March 31, 2014 and for each subsequent 12-month period ending March 31st thereafter will be reconciled to the \$2,549,074 annual target.

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