

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: MARCH 1, 2010

LEAF: 222.1
REVISION: 0
SUPERSEDING REVISION:

GENERAL INFORMATION

42. MERCHANT FUNCTION CHARGE

42.4 Electricity Supply Related Credit and Collection Expense

42.4.1 The Electricity Supply Related Credit and Collection Expense rate of \$0.00053 per kWh for non-demand; \$0.00053 for demand, \$0.00044 for street lighting is included in the MFC.

42.4.1.1 ESCOs who are participating in the Company's Purchase of Receivables Program are subject to the Electricity Supply Related Credit and Collection Expense rates in Rule No. 42.4.1 above.

42.4.2 The per kWh Electricity Supply Related Credit and Collections Rate in Rule No. 42.4.2 shall be included in the filed Statement of Merchant Function not less than three (3) days prior to its effective date.

42.5 Electricity Supply Related Uncollectible Expense

42.5.1 The Electricity Supply Related Uncollectible Expense charge will be determined separately for non-demand, demand and street lighting customers. The charge will be calculated by multiplying the uncollectible percentage factor by commodity revenue on customer's bills. The uncollectible percentage factor will be 2.68% for non-demand customers, .40% for demand, and .05% for street lighting customers and will be applied to customers Electricity Supply Charge.

42.5.1.1 The uncollectible percentage factor will be updated on an annual basis based on actual uncollectible expenses for the prior year.

42.5.2 The Electricity Supply Related Uncollectible Expense percentage factor will be filed on the Statement of Merchant Function Charge not less than three (3) days prior to its effective date.

42.6 Return on Working Capital for Purchased Power

42.6.1 The Return on Working Capital for Purchased Power charge will be calculated by multiplying the working capital percentage factor of .425% by commodity revenue on customer's bills.

42.6.1.1 The Return on Working Capital for Purchased Power percentage factor will be filed on the Statement of Merchant Function Charge not less than three (3) days prior to its effective date.