

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 06/23/08

LEAF: 122.4
REVISION: 0
SUPERSEDING REVISION:

GENERAL INFORMATION

33. **SYSTEM BENEFITS CHARGE:** (continued)

33.4 Service bills rendered to customers taking service under P.S.C. No. 219 Gas are subject to the System Benefits Charge regardless of supplier, except:

33.4.1 Load served under the Empire Zone Rider as described in Rule 23

33.4.2 Service Classification Nos. 4, 6, 9, 10 and 14

33.5 Customers' loads that are exempt from the SBC under Rule 33.4, may voluntarily elect to pay the SBC on that load, by providing written notice to the Company, thus becoming eligible, if not currently eligible, for the programs mentioned in Rule 33. Once a customer voluntarily elects to become subject to the SBC (or to have any exempt load subject to the SBC), such election is irreversible for the duration of time that the Company provides delivery service to the customer. The SBC shall be applied to the customer's total billed therms on their service bill.

34. **MERCHANT FUNCTION CHARGE:**

The rates for Gas Service under Service Classification Nos. 1, 2, 12 and 13 shall include each month the Merchant Function Unitized rate per therm which is equal to the sum of the following gas supply unit costs:

- 1) Gas Supply Procurement Expenses
- 2) Commodity Related Credit and Collection Expenses
- 3) Commodity Related Uncollectible Expenses
- 4) Return Requirement on Gas Storage Inventory
- 5) Return Requirement on Gas Purchase-Related Working Capital

34.1 **Calculation of Merchant Function Rate per Therm**

34.1.1 Gas Supply Procurement Expenses

34.1.1.1 The Gas Supply Procurement Expenses unitized rate per therm shall initially become effective April 1, 2009 and shall be computed by dividing the Annual Gas Supply Procurement Expenses of \$1,064,825 by the estimated throughput for customers served under SC1, 2, 12 and 13 purchasing commodity from the Company for the April 2009 through March 2010 time period.

34.1.1.2 The actual Gas Supply Labor Rate will be reset each June 1st by dividing the revenue requirement of \$1,064,825 by the estimated throughput for SC1, 2, 12 and 13 customers purchasing commodity from the Company.

Issued By: William F. Edwards, President, Syracuse, New York