

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

LEAF: 122.7
REVISION: 0
SUPERSEDING REVISION:

GENERAL INFORMATION

34. MERCHANT FUNCTION CHARGE: (continued)

- 34.1.3.2.2 Actual Commodity Uncollectible Expense associated with full service customers shall be determined by multiplying the actual Uncollectible Rate for the previous twelve months ended March by the Actual Gas Cost for Service Classifications 1, 2, 12 and 13 for the same period.
- 34.1.3.2.3 Actual Commodity Uncollectible associated with POR customers shall be determined by multiplying the actual Uncollectible Rate for the previous twelve months ended March by the Marketers Accounts Receivable in the POR Program for the same period.
- 34.1.3.2.4 The resulting over/under collection calculated in 34.1.3.2.2 and 34.1.3.2.3 above shall be divided by the sum of 1) The Company's total estimated revenue exclusive of Other Gas Revenues but inclusive of Late Payment Revenues and 2) estimated receivables under the Company's POR program. The resulting percentage shall be added to the Actual Uncollectible percentage calculated in Rule 34.1.3.1.1.2 effective June 1 of each year. The revised total percentage shall be the basis of both the MFC uncollectible rate per therm and the POR discount rate percentage for Commodity related Uncollectible.
- 34.1.3.3 The resulting rate shall be filed on the Statement of Merchant Function Charge not less than three (3) days prior to its effective date.
- 34.1.4 The Pre-tax Return Requirement on Gas Storage Inventory
 - 34.1.4.1 The Pre-tax Return Requirement on Gas Storage Inventory unitized charge per therm shall initially become effective April 1, 2009 and shall be reset each June 1 thereafter. The Pre-tax Return Requirement on Gas Storage Inventory unitized rate per therm recovered from Service Classification Nos. 1, 2, 12 and 13 customers shall be calculated by:
 - 34.1.4.1.1 Multiplying the Pre-tax Return Requirement Percentage of 11.99% by
 - 34.1.4.1.2 the projected average of Gas Storage Inventory Balances for each April through March time period to obtain the dollar amount of the Pre-tax Return Requirement on Gas in Storage.

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