

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: JUNE 1, 2017

LEAF: 222.1
REVISION: 8
SUPERSEDING REVISION: 7

GENERAL INFORMATION

42. MERCHANT FUNCTION CHARGE (CONTINUED)

42.3.2 Electricity Supply Credit and Collection

42.3.2.1 The Electricity Supply Credit and Collection rates shall become effective April 1, 2013 and shall be adjusted pursuant to Rules 42.3.2.2 below.

42.3.2.2 The Electricity Supply Credit and Collection rate will be reset each April 1 by dividing the revenue requirement of \$3,986,980 for non-demand customers, \$105,558 for demand customers, and \$1,176 for lighting customers by the forecasted sales of non-demand, demand and lighting full service customers for that period and the forecasted sales of non-demand, demand and lighting ESCo's customers who are participating in the Company's Purchase of Receivables Program

42.3.2.2.1 Any over/under collections, including carrying charges using the pretax weighted average cost of capital, related to Electricity Supply Credit and Collections for the year shall be divided by the forecast sales of full service customers and the forecasted sales of ESCo customers who are participating in the Company's Purchase of Receivables Program for the following year and added to the Electricity Supply Credit and Collections rates effective April 1 of that following year.

42.3.2.3 ESCos who are participating in the Company's Purchase of Receivables Program are subject to the Electricity Supply Credit and Collection rates.

42.3.2.4 The total per kWh Electricity Supply Credit and Collections Rate, which equals the over/under collection related to Electricity Supply Credit and Collections for the previous period (s) added to the current year Electricity Supply Credit and Collections, shall be included in the filed Statement of Merchant Function Charge not less than three (3) days prior to their effective date.

42.3.3 Electricity Supply Uncollectible Expense

42.3.3.1 The Electricity Supply Uncollectible Expense rates will be determined separately for non-demand, demand and street lighting customers. The rates will be calculated by multiplying the uncollectible percentage factor by the Electricity Supply Cost and Electricity Supply Reconciliation Mechanism ("ESRM"), and the Clean Energy Standard Supply ("CESS") charge on customer's bills. The uncollectible percentage factor will be 2.30% for non-demand customers, 0.20% for demand, and 0.16% for street lighting customers and shall be included in the filed Statement of Merchant Function Charge not less than three (3) days prior to the effective date.

42.3.3.2 The Electric Supply Uncollectible Expense rate will be a discount to the ESCO's receivables purchased by the Company.

Issued by Kenneth D. Daly, President, Syracuse, NY