

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 11/01/13
STAMPS:

LEAF: 96.1
REVISION: 3
SUPERSEDING REVISION: 2

GENERAL INFORMATION

17. ADJUSTMENT OF RATES IN ACCORDANCE WITH CHANGES IN THE COST OF PURCHASED GAS: (continued)

17.7 Annual Cost of Gas Surcharge or Refund:

17.7.1 A surcharge or refund (adjusted for simple interest at the Commission's other customer capital rate) to recover Monthly Cost of Gas under-collections or to refund Monthly Cost of Gas over-collections for each 12-month period ending August 31st will be computed for sales customers served under Service Classification Nos. 1, 2, 3, 12 and 13 by taking 1) allowed gas expense and subtracting the; 2) Monthly Cost of Gas revenues (exclusive of gross revenue taxes); and 3) Other Revenues/Adjustments and then adding; 4) the LAUF Adjustment.

17.7.1.1 The allowed gas expense is determined by taking: the cost of purchased gas as recorded on the books of the Company for the 12-month period ending August 31st, and then subtracting; 1) the cost of gas related to sales to Service Classification No. 10 customers; 2) the cost of gas for customers taking standby sales service under Service Classification No. 8; 3) cashout for under delivery revenues collected from Marketers/Direct Customers under Service Classification No. 11; 4) capacity release revenues associated with NYSEG and customers migrating to delivery only service; 5) gas costs associated with sale for resale pursuant to the Company's FERC Sale for Resale Certificate and 6) Stranded Capacity Costs calculated in accordance with Rule 17.9 of the General Information Section of this schedule and then adding 7) cashout for over delivery revenues paid to Marketers/Direct Customers under Service Classification No. 11.

17.7.1.2 The Monthly Cost of Gas revenues are determined for sales customers served under Service Classification Nos. 1, 2, 3, 12 and 13.

17.7.1.3 Other Revenues/Adjustments are equal to the sum of: 1) imbalance scheduling penalties collected from customers participating in Monthly Balancing under Service Classification No. 11; 2) standby charge revenues collected from Residential and Human Needs Delivery Service Customers; 3) Balancing Charge Revenues collected from Marketers; 4) 85% of capacity release revenues excluding those associated with customers migrating to delivery only service; 5) supplemental service revenues under Service Classification No. 9 and 6) the previous year's over or under collection (adjusted for simple interest at the Commission's other customer capital rate) to the extent not refunded or collected.

17.7.1.4 The LAUF Adjustment is determined per Rule 17.1

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