



Kellie I. Smith
Manager – NY Gas Pricing

March 29, 2018

Honorable Kathleen H. Burgess, Secretary
State of New York
Public Service Commission
Office of the Secretary, 19th Floor
Three Empire State Plaza
Albany, New York 12223-1350

Dear Secretary Burgess:

Pursuant to Title 16 of the State of New York Official Compilation of Codes, Rules and Regulations (“16 NYCRR”) Section 720, Niagara Mohawk Power Corporation, d/b/a National Grid (“NMPC” or “Company”) hereby files the following statements which will take effect on [April 1, 2018](#):

<u>Statement</u>	<u>Number</u>	<u>Applicable to Service Classes</u>
Monthly Cost of Gas Statement	MCG-178	1, 2, 3, 12 & 13
Gas Transportation Rate Statement	TRA-178	1, 2, 5, 6, 7, 8, 9, 12 & 13
Statement of Natural Gas Vehicle Service Rate	NGV-178	10
Statement of Demand Transfer Recovery Rate	DTR-177	11
Merchant Function Charge Statement	MFC-109	1, 2, 3, 12 & 13

Pursuant to PSC 219 Rule 33, the Company is resetting the rates for several components of the Merchant Function Charge on the Merchant Function Charge Statement (MFC 109) effective April 1, 2018: 1) Commodity Related Credit and Collection Charge; 2) Gas Supply Procurement Charge and 3 Return Requirement on Gas Storage Inventory. Pursuant to the Joint Proposal approved in case 17-G-0239, the MFC annual reconciliations will be on the Monthly Cost of Gas year (twelve months ending August 31) basis to align the MFC reconciliation with the Company’s Cost of Gas reconciliation.

1. Commodity Related Credit and Collection

As shown on Attachment 1, the Commodity Related Credit and Collection Charge is reset as follows:

- Residential customers for SC 1 and SC 1MB - is reset to \$0.00208 per therm effective

Honorable Kathleen H. Burgess, Secretary

Page 2 of 2

April 1, 2018 - March 31, 2019. Prior year imbalance rates remains at \$0.00018 per therm through May 31, 2018.

- Non-residential customers for SC2, 2MB, 3, 12, 12MB, 12 DB, 13MB, 5, 7 & 8 – is reset to \$0.00009 per therm effective April 1, 2018 – March 31, 2019. Prior year imbalance rates remains at (\$0.00005) per therm through May 31, 2018.

2. Gas Supply Procurement Charge

As shown on Attachment 2, the Gas Supply Procurement Charge is reset as follows:

- Rates effective April 1, 2018 – March 31, 2019 is reset to \$0.00256 per therm for SC 1, 2, 3, 12 & 13. Prior year imbalance rates remains at (\$0.00006) per therm through May 31, 2018.

3. Return Requirement on Gas Storage Inventory

As shown on Attachment 3, the Return Requirement on Gas Storage Inventory (Storage Carry) is reset as follows:

- Rates effective April 1, 2018 – March 31, 2019 is reset to \$0.00274 per therm for SC 1, 2, 3, 12 & 13. Prior year imbalance rates remains at (\$0.00019) per therm through May 31, 2018.

Questions pertaining to this filing may be directed to Rozita Shortell at (315) 460-1023.

Respectfully Submitted,

/s/ Kellie I. Smith

Kellie I. Smith
Manager, NY Gas Pricing

Niagara Mohawk Power Corporation d/b/a National Grid
 Merchant Function Charge
 Calculation of Commodity Related Credit and Collection Charge
 Applicable to Customers taking Sales Service under Service Classification Nos. 1, 2, 3, 12 and 13
 and to ESCOs Participating in the POR Program that serve Customers taking Transportation Service
 under Service Classification Nos. 1MB, 2MB, 12MB, 12DB, 13MB, 5, 7 and 8

	Residential SC 1, SC1 MB	Non-Residential SC 2, 2MB, 3, 12MB, 12 DB, 13MB, 5, 7 and 8	
1) Set Commodity Related Credit and Collection Expense Charge for April 1, 2018 - March 31, 2019			
a) Allowed Commodity Related Credit and Collection Annual Expense (Case 17-G-0239)	\$1,084,829	\$45,088	
b) Forecasted Sales & Deliveries: April 1, 2018 - March 31, 2019 (Therms)			
i) Sales	427,906,914	115,343,563	Therms
ii) Total Daily & Monthly Balancing Transportation	95,400,747	476,472,704	Therms
- Percentage of Annual Deliveries for ESCOs in POR Program	97%	80%	
- Amt of Daily & Monthly Balancing Transportation in POR Program	<u>92,796,238</u>	<u>381,519,018</u>	
iii) Total Therms	520,703,152	496,862,582	Therms
c) Commodity Related Credit and Collection Expense Charge (a / b) :	\$0.00208	\$0.00009	\$/Therm
Effective April 1, 2018 - March 31, 2019			
2) Prior Year Annual Reconciliation Factors : Rates Effective June 1, 2017 - May 31, 2018			
a) Rate Year 4 Imbalance	\$0.00018	(\$0.00005)	\$/Therm
3) Total Commodity Related Credit and Collection Charge With Reconciliation Factors :			
a) Rates Effective April 1, 2018 - May 31, 2018 : (1c + 2a)	\$0.00226	\$0.00004	\$/Therm
b) Rates Effective June 1, 2018 : (1c)	\$0.00208	\$0.00009	\$/Therm

Niagara Mohawk Power Corporation d/b/a National Grid
 Merchant Function Charge
 Calculation of Gas Supply Procurement Expense Charge
 Applicable to Customers taking Sales Service under Service Classification Nos. 1, 2, 3, 12 and 13

1) Set Gas Supply Procurement Expense Charge for : April 1, 2018 - March 31, 2019	
a) Allowed Gas Gas Supply Procurement Annual Expense (Case 17-G-0239)	\$1,390,042
b) Forecasted SC 1, 2, 3, 12 and 13 Sales: April 1, 2018 - March 31, 2019	<u>543,250,477</u> Therms
c) Gas Supply Procurement Expense Charge effective April 1, 2018 - March 31, 2019 for SC 1, 2, 3, 12 & 13 = (1a / 1b)	\$0.00256 \$/Therm
2) Prior Year Annual Reconciliation Factors : Rates Effective June 1, 2017 - May 31, 2018	
a) Rate Year 4 Imbalance	(\$0.00006) \$/Therm
3) Gas Supply Procurement Expense Charge With Reconciliation Factors :	
a) Rates Effective April 1, 2018 - May 31, 2018 : (1c + 2a)	\$0.00250 \$/Therm
b) Rates Effective June 1, 2018 : (1c)	\$0.00256 \$/Therm

Niagara Mohawk Power Corporation d/b/a National Grid
 Merchant Function Charge
 Calculation of Return Requirement on Gas Storage Inventory Charge
 Applicable to Customers taking Sales Service under Service Classification Nos. 1, 2, 3, 12 and 13

1) Set Rate for April 1, 2018 - March 31, 2019 : Return Requirement on Gas Storage Inventory Charge
 Applicable to SC 1, 2, 3, 12 and 13

	Estimated Storage Inventory Balance	Estimated Wtd Avg Storage Inventory Cost (based on 2/26/2018 NYMEX)	Estimated Storage Inventory Costs
	(dt)	(\$/dt)	(\$)
4/30/2018	4,763,129	\$2.18350	\$10,400,292
5/31/2018	6,047,214	\$2.16072	\$13,066,339
6/30/2018	7,561,685	\$2.15320	\$16,281,822
7/31/2018	9,315,178	\$2.14608	\$19,991,125
8/31/2018	11,008,358	\$2.13621	\$23,516,190
9/30/2018	13,313,710	\$2.10221	\$27,988,168
10/31/2018	15,083,242	\$2.09156	\$31,547,569
11/30/2018	15,083,242	\$2.09129	\$31,543,385
12/31/2018	11,446,058	\$2.09129	\$23,936,989
1/31/2019	7,476,784	\$2.09129	\$15,636,100
2/28/2019	3,507,510	\$2.09129	\$7,335,208
3/31/2019	-	\$0.00000	<u>\$0</u>
	104,606,110		\$221,243,187

- a) Estimated Monthly Average Storage Inventory Costs (12 Months) \$18,436,932
- b) Pre-Tax Weighted Average Cost of Capital 8.07%
- c) Estimated Return Requirement on Gas Storage Inventory (1a x 1b) \$1,487,860
- d) Forecasted SC 1, 2, 3, 12 and 13 Sales: April 1, 2018 - March 31, 2019 543,250,477 Therms
- e) Return Requirement on Gas Storage Inventory Charge (1c / 1d) :
 Effective April 1, 2018 - March 31, 2019 \$0.00274 \$/Therm
- 2) Prior Year Annual Reconciliation Factors : Rates Effective June 1, 2017 - May 31, 2018
- a) Rate Year 4 Imbalance (\$0.00019) \$/Therm
- 3) Return Requirement on Gas Storage Inventory Charge With Reconciliation Factors :
- a) Rates Effective April 1, 2018 - May 31, 2018 : (1c + 2a) **\$0.002550**
- b) Rates Effective June 1, 2018 : (1c) **\$0.002740 \$/Therm**