



Melissa M. Barnes
Manager – NY Pricing

August 28, 2020

Honorable Michelle L. Phillips, 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 Phillips:

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 **September 1, 2020**:

<u>Statement</u>	<u>Number</u>	<u>Applicable to Service Classes</u>
Monthly Cost of Gas Statement	MCG-207	1, 2, 3, 12 & 13
Gas Transportation Rate Statement	TRA-207	1, 2, 5, 6, 7, 8, 9, 12 & 13
Statement of Natural Gas Vehicle Service Rate	NGV-207	10
Statement of Demand Transfer Recovery Rate	DTR-206	11
Merchant Function Charge Statement	MFC-138	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 138) effective September 1, 2020: 1) Commodity Related Credit and Collection Charge; 2) Gas Supply Procurement Charge and 3) Return Requirement on Gas Storage Inventory.

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 \$0.00196 per therm effective September 1, 2020 – August 31, 2021.
- Non-residential customers for SC2, 2MB, 3, 12, 12MB, 12 DB, 13MB, 5, 7 & 8 – is reset to \$0.00009 per therm effective September 1, 2020 – August 31, 2021.

2. Gas Supply Procurement Charge

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

- Rates effective September 1, 2020 – August 31, 2021 is reset to \$0.00236 per therm for SC 1, 2, 3, 12 & 13.

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 September 1, 2020 – August 31, 2021 is reset to \$0.00242 per therm for SC 1, 2, 3, 12 & 13.

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

Respectfully Submitted,

/s/ Melissa M. Barnes

Melissa M. Barnes
Manager, NY 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, 12, 12MB, 12 DB, 13MB, 5, 7 and 8	
1) Set Commodity Related Credit and Collection Expense Charge for September 1, 2020 - August 31, 2021			
a) Allowed Commodity Related Credit and Collection Annual Expense (Case 17-G-0239)	\$1,084,637	\$45,019	
b) Forecasted Sales & Deliveries: September 1, 2020 - August 31, 2021 (Therms)			
i) Sales	463,957,042	124,282,547	Therms
ii) Total Daily & Monthly Balancing Transportation	92,429,629	450,949,859	Therms
- Percentage of Annual Deliveries for ESCOs in POR Program	97%	78%	
- Amt of Daily & Monthly Balancing Transportation in POR Program	<u>89,523,634</u>	<u>351,869,859</u>	
iii) Total Therms	553,480,676	476,152,407	Therms
c) Commodity Related Credit and Collection Expense Charge (a / b) : Effective September 1, 2020 - August 31, 2021	\$0.00196	\$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 : September 1, 2020 - August 31, 2021	
a) Allowed Gas Gas Supply Procurement Annual Expense (Case 17-G-0239)	\$1,390,322
b) Forecasted SC 1, 2, 3, 12 and 13 Sales: September 1, 2020 - August 31, 2021	<u>588,239,590</u> Therms
c) Gas Supply Procurement Expense Charge effective September 1, 2020 - August 31, 2021 for SC 1, 2, 3, 12 & 13 = (1a / 1b)	\$0.00236 \$/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 September 1, 2020 - August 31, 2021 : 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	Estimated Storage Inventory Costs
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(based on 7/29/2020 NYMEX)

	(dt)	(\$/dt)	(\$)
9/30/2020	16,018,849	\$1.70120	\$27,251,263
10/31/2020	16,437,574	\$1.69386	\$27,842,992
11/30/2020	15,975,592	\$1.69448	\$27,070,351
12/31/2020	13,940,793	\$1.69448	\$23,622,420
1/31/2021	9,615,116	\$1.69448	\$16,292,640
2/28/2021	5,289,438	\$1.69448	\$8,962,857
3/31/2021	1,432,664	\$1.69448	\$2,427,624
4/30/2021	1,598,810	\$1.75164	\$2,800,540
5/31/2021	5,059,352	\$2.06195	\$10,432,153
6/30/2021	8,345,438	\$2.12877	\$17,765,520
7/31/2021	10,208,599	\$2.15564	\$22,006,030
8/31/2021	12,457,951	\$2.17396	\$27,083,045
	116,380,177		\$213,557,435

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| a) Estimated Monthly Average Storage Inventory Costs (12 Months) | \$17,796,453 |
| b) Pre-Tax WACC | 7.99% |
| c) Estimated Return Requirement on Gas Storage Inventory (1a x 1b) | \$1,421,937 |
| d) Forecasted SC 1, 2, 3, 12 and 13 Sales: September 1, 2020 - August 31, 2021 | 588,239,590 Therms |
| e) Return Requirement on Gas Storage Inventory Charge (1c / 1d) :
Effective September 1, 2020 - August 31, 2021 | \$0.00242 \$/Therm |

Notes:

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|------------|--------------------------------|
| /1 Leaf 13 | |
| RY 1 | 8.07% April 2018 – March 2019 |
| RY 2 | 8.02% April 2019 – July 2020 |
| RY3 | 7.99% August 2020 – March 2021 |