

PSC NO. 214 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: FEBRUARY 1, 2011  
STAMPS: Issued in Compliance with Order of the PSC in Case No. 10-E-0050 Issued January 24, 2011

STATEMENT TYPE: MFC  
STATEMENT NO. 2

MERCHANT FUNCTION CHARGE ("MFC") STATEMENT  
APPLICABLE TO BILLINGS UNDER P.S.C. NO. 214 ELECTRICITY

|   |           |
|---|-----------|
| Electricity Supply Uncollectible Expense Factor | 0.03%     |
| Working Capital on Purchased Power Costs Factor | 0.344%    |
| Electricity Supply Procurement Charge           | \$0.00015 |
| Electricity Supply Credit and Collection Charge | \$0.00001 |

Note: The Electricity Supply Uncollectible Expense Factor and Working Capital for Purchased Power Factor will be multiplied by the Electricity Supply Charge on Customer's bills.

Service Classifications subject to the Merchant Function Charge Rate of Adjustment are defined in Rule No. 42 of P.S.C. No. 220 Electricity, General Information Section.

Rate of Adjustment shown is exclusive of Gross Receipt Taxes.

Issued by: Thomas B. King, President, Syracuse, New York