Received: 03/29/2012

Status: CANCELLED Effective Date: 04/01/2012

PSC NO. 87 Gas
NEW YORK STATE ELECTRIC & GAS CORPORATION

Initial Effective Date: April 1, 2012

Issued in compliance with Order in Case No. 09-G-0716 dated September 21, 2010

Statement Type: MFC Statement No. 19 page 1 of 2

New York State Electric & Gas Corporation
Gas Supply Areas 1 & 3
Combined, Elmira, Goshen, Champlain & Lockport Rate Areas
Statement of Merchant Function Charge
Effective: April 1, 2012

Applicable to Service Classifications No. 1, 2 and 5 of PSC No. 87 Gas

NYSEG Gas Merchant Function Charge

GSA1- 3	Residential Customer \$ Per Therm		Non Residential Customer \$ Per Therm	
Monthly Gas Supply Charge	\$	0.516088	\$	0.511249
Uncollectible Factor		1.32340%		0.19370%
Uncollectible Charge (Monthly Gas 1 Supply Charge * Uncollectible Factor)	\$	0.006830	\$	0.000990
2 Gas Storage Inventory Carrying Charge	\$	0.006521	\$	0.006521
3 Working Capital - Commodity Hedges	\$	0.003049	\$	0.003049
4 Credit & Collections and Call Center	\$	0.004936	\$	0.004936
5 Administrative Charge	\$	0.001789	\$	0.001789
6 Prior Period Reconciliation	\$	(0.004714)	\$	(0.004714)
Total MFC Rate per therm	\$	0.018411	\$	0.012571

Customers in Service Class No. 1 will be billed the "Residential Customer" MFC rate. Customers in Service Class No. 2 and 5 will be billed the "Non-Residential Customer" MFC rate.

Dated: March 29, 2012

Issued By: James A. Lahtinen, Vice President-Rates & Regulatory Economics, Binghamton, New York

Received: 03/29/2012

Status: CANCELLED Effective Date: 04/01/2012

Statement Type: MFC Statement No. 19 page 2 of 2

New York State Electric & Gas Corporation Gas Supply Area 2 Binghamton & Owego Rate Areas Statement of Merchant Function Charge Effective: April 1, 2012

Applicable to Service Classifications No. 1, 2, 5 and 9 of PSC No. 87 Gas

NYSEG Gas Merchant Function Charge

GSA2	Residential \$ Per Therm		Non Residential \$ Per Therm	
Monthly Gas Supply Charge	\$	0.390770	\$	0.387424
Uncollectible Factor		1.32340%		0.19370%
Uncollectible Charge (Monthly Gas 1 Supply Charge * Uncollectible Factor)	\$	0.005171	\$	0.000750
2 Gas Storage Inventory Carrying Charge	\$	0.006521	\$	0.006521
3 Working Capital - Commodity Hedges	\$	0.003049	\$	0.003049
4 Credit & Collections and Call Center	\$	0.004936	\$	0.004936
5 Administrative Charge	\$	0.001789	\$	0.001789
6 Prior Period Reconciliation	\$	(0.004714)	\$	(0.004714)
Total MFC Rate	\$	0.016752	\$	0.012331

Customers in Service Class No. 1 will be billed the "Residential Customer" MFC rate. Customers in Service Class No. 2, 5 and 9 will be billed the "Non-Residential Customer" MFC rate.

Dated: March 29, 2012

Issued By: James A. Lahtinen, Vice President-Rates & Regulatory Economics, Binghamton, New York