Statement Type: MFC Statement No. 15

PSC No. 121 Electricity New York State Electric & Gas Corporation Initial Effective Date: August 01, 2011 Issued in compliance with order in Case No. 09-E-0715 dated September 21, 2010

Merchant Function Charge Statement

For customers taking service under the NYSEG Supply Service (NSS) rate or Hourly Pricing with supply provided by NYSEG, pursuant to NYSEG's Supply Service Options, General Information Section 25 of Schedule PSC No. 120 - Electricity, the following Merchant Function Charge is applicable to energy supplied [all kilowatt-hours (kWhs)] under the service classifications listed below.

	Small	Large
	Customer	Customer
	<u>\$ per kWh</u>	<u>\$ per kWh</u>
Monthly Electric Supply Cost	\$0.050099	\$0.050763
Uncollectible Factor	0.961071%	0.153815%
1 Uncollectible Charge (Monthly Electric Supply Cost * Uncollectible Factor)	\$0.000481	\$0.000078
2 Working Capital - Commodity Hedges	\$0.000067	-
3 Credit & Collections and Call Center	\$0.001014	\$0.001014
4 Administrative Charge	\$0.001860	\$0.001860
Total MFC Rate per kWh	\$0.003422	\$0.002952

For further information regarding the Merchant Function Charge see General Information Section 25 of PSC No. 120 - Electricity.

Service Classification Nos. 1, 8, 12, 5, 6, and 9 will be billed the "Small Customer" MFC rate. All Street Lighting Service Classifications (Nos. 1, 2, 3, and 4) will be billed the "Small Customer" MFC rate. Service Classification Nos. 2, 3, and 7 will be billed the "Large Customer" MFC rate. For Service Classification Nos. 11, 13, and 14, the customer's otherwise applicable service classification will determine the applicable MFC.

Issued by: James A. Lahtinen, Vice President - Rates and Regulatory Economics, Binghamton, NY