

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

Initial Effective Date: January 1, 2012

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

Statement Type: MFC

Statement No. 16

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

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

**NYSEG Gas Merchant Function Charge**

<b>GSA1- 3</b>	<b>Residential Customer \$ Per Therm</b>	<b>Non Residential Customer \$ Per Therm</b>
Monthly Gas Supply Charge	\$ 0.783950	\$ 0.779222
Uncollectible Factor	1.32340%	0.19370%
Uncollectible Charge ( Monthly Gas 1 Supply Charge * Uncollectible Factor)	\$ 0.010375	\$ 0.001509
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)
<b>Total MFC Rate per therm</b>	<b>\$ 0.021956</b>	<b>\$ 0.013090</b>

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: December 29, 2011

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

Statement Type: MFC  
Statement No. 16  
page 2 of 2New York State Electric & Gas Corporation  
Gas Supply Area 2  
Binghamton & Owego Rate Areas  
Statement of Merchant Function Charge  
Effective: January 1, 2012

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

**NYSEG Gas Merchant Function Charge**

<b>GSA2</b>	<b>Residential</b> \$ Per Therm	<b>Non Residential</b> \$ Per Therm
Monthly Gas Supply Charge	\$ 0.566892	\$ 0.563689
Uncollectible Factor	1.32340%	0.19370%
Uncollectible Charge ( Monthly Gas 1 Supply Charge * Uncollectible Factor)	\$ 0.007502	\$ 0.001092
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)
<b>Total MFC Rate</b>	<b>\$ 0.019083</b>	<b>\$ 0.012673</b>

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: December 29, 2011

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