

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

Initial Effective Date: March 1, 2012

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

Statement Type: MFC

Statement No. 18

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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: March 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<br/>Customer<br/>\$ Per Therm</b> | <b>Non Residential<br/>Customer<br/>\$ Per Therm</b> |
|---|--|--|
| Monthly Gas Supply Charge   | \$ 0.606584                                      | \$ 0.601769  |
| Uncollectible Factor  | 1.32340%   | 0.19370%   |
| Uncollectible Charge ( Monthly Gas<br>1 Supply Charge * Uncollectible Factor) | \$ 0.008028                                      | \$ 0.001166  |
| 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>\$ 0.019609</b>                               | <b>\$ 0.012747</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: February 27, 2012

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

Statement Type: MFC  
Statement No. 18  
page 2 of 2New York State Electric & Gas Corporation  
Gas Supply Area 2  
Binghamton & Owego Rate Areas  
Statement of Merchant Function Charge  
Effective: March 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><br>\$ Per Therm | <b>Non Residential</b><br>\$ Per Therm |
|---|------------------------------------|--|
| Monthly Gas Supply Charge   | \$ 0.490842                        | \$ 0.487503                            |
| Uncollectible Factor  | 1.32340%                           | 0.19370%                               |
| Uncollectible Charge ( Monthly Gas<br>1 Supply Charge * Uncollectible Factor) | \$ 0.006496                        | \$ 0.000944                            |
| 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>\$ 0.018077</b>                 | <b>\$ 0.012525</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: February 27, 2012

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