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PSC No. 120 Electricity
New York State Electric & Gas Corporation

Initial Effective Date: June 01, 2011

Issued in compliance with order in Case No. 09-E-0715 dated September 21, 2010

Statement Type: MFC Statement No. 13

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.

| Total MFC Rate per kWh | \$0.003606 | \$0.002948 |
|---|------------|-------------------|
| 4 Administrative Charge | \$0.001860 | \$0.001860 |
| 3 Credit & Collections and Call Center | \$0.001014 | \$0.001014 |
| 2 Working Capital - Commodity Hedges | \$0.000067 | - |
| 1 Uncollectible Charge (Monthly Electric Supply Cost * Uncollectible Factor) | \$0.000665 | \$0.000074 |
| Uncollectible Factor | 0.961071% | <u>0.153815</u> % |
| Monthly Electric Supply Cost | \$0.069159 | \$0.048213 |
| | \$ per kWh | \$ per kWh |
| | Customer | Customer |
| | Small | Large |

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