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PSC NO: 121 ELECTRICITY

NEW YORK STATE ELECTRIC & GAS CORPORATION

Statement Type: MFC

Statement Number: 03

Initial Effective Date: 01/01/10

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.

| PSC No. 120 - Electricity; Service Classification Nos. | Charge per kWh |
|--|----------------|
| 1, 8, 12 | \$0.0030 |
| 2, 5, 6, 7-1, 9 | \$0.0030 |
| 3, 7-2, 7-3, 7-4 | \$0.0014 |
| PSC No. 121 - Electricity; Service Classification Nos. | |
| 1, 2, 3 | \$0.0030 |

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

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