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

Initial Effective Date: October 1, 2016

Issued in compliance with Order in Case No. 15-G-0284 dated June 15, 2016

New York State Electric & Gas Corporation

 $\begin{array}{c} \text{Effective Date: } 10/01/2016\\ \text{Statement Type: MFC}\\ \text{Statement No. 73} \end{array}$

Statement of Merchant Function Charge Effective: October 1, 2016, and for each month thereafter, until changed

Applicable to Service Classifications No. 1, 2, 5, 9, 10, and 11 of PSC No. 87 Gas

NYSEG Gas Merchant Function Charge

	Residential Customer \$ Per Therm		Non Residential Customer \$ Per Therm	
Monthly Gas Supply Charge	\$	0.280212	\$	0.276787
Uncollectible Factor		2.92520%		0.41630%
Uncollectible Charge (Monthly Gas Supply Charge 1 * Uncollectible Factor)	\$	0.008197	\$	0.001152
2 Gas Storage Inventory Carrying Charge	\$	0.002092	\$	0.002092
3 Working Capital - Commodity Hedges	\$	0.000424	\$	0.000424
4 Credit & Collections and Call Center	\$	0.005350	\$	0.005350
5 Administrative Charge	\$	0.010444	\$	0.010444
6 Prior Period Reconciliation	\$	(0.001597)	\$	(0.001597)
Total MFC Rate, per therm	\$	0.024910	\$	0.017865

Customers in Service Class No. 1 will be billed the "Residential Customer" MFC rate. Customers in Service Class No. 2, 5, 9, 10 and 11 will be billed the "Non-Residential Customer" MFC rate.

Dated: September 28, 2016

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