

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

Initial Effective Date: January 1, 2016

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

Effective Date: 01/01/2016

Statement Type: MFC

Statement No. 64

New York State Electric & Gas Corporation
All Areas

Statement of Merchant Function Charge

Effective: January 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 | Non Residential Customer |
|---|---------------------------------|-------------------------------------|
| | \$ Per Therm | \$ Per Therm |
| Monthly Gas Supply Charge | \$ 0.314803 | \$ 0.311555 |
| Uncollectible Factor | 2.21000% | 0.27790% |
| Uncollectible Charge (Monthly Gas Supply Charge 1 * Uncollectible Factor) | \$ 0.006957 | \$ 0.000866 |
| 2 Gas Storage Inventory Carrying Charge | \$ 0.002878 | \$ 0.002878 |
| 3 Working Capital - Commodity Hedges | \$ 0.000670 | \$ 0.000670 |
| 4 Credit & Collections and Call Center | \$ 0.004708 | \$ 0.004708 |
| 5 Administrative Charge | \$ 0.001941 | \$ 0.001941 |
| 6 Prior Period Reconciliation | \$ 0.000835 | \$ 0.000835 |
| Total MFC Rate, per therm | \$ 0.017989 | \$ 0.011898 |

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: December 29, 2015

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