PSC NO. 87 Gas NEW YORK STATE ELECTRIC & GAS CORPORATION Initial Effective Date: September 1, 2014 Issued in compliance with Order in Case No. 09-G-0716 dated September 21, 2010

> New York State Electric & Gas Corporation Gas Supply Areas 1 & 3 Combined, Elmira, Goshen, Champlain & Lockport Rate Areas Statement of Merchant Function Charge Effective: September 1, 2014

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

NYSEG Gas Merchant Function Charge

GSA1- 3	Residential Customer \$ Per Therm		Non Residential Customer \$ Per Therm	
Monthly Gas Supply Charge	\$	0.424704	\$	0.421463
Uncollectible Factor		1.69720%		0.18650%
Uncollectible Charge (Monthly Gas 1 Supply Charge * Uncollectible Factor)	\$	0.007208	\$	0.000786
2 Gas Storage Inventory Carrying Charge	\$	0.003240	\$	0.003240
3 Working Capital - Commodity Hedges	\$	0.000153	\$	0.000153
4 Credit & Collections and Call Center	\$	0.004426	\$	0.004426
5 Administrative Charge	\$	0.001948	\$	0.001948
6 Prior Period Reconciliation	\$	(0.008935)	\$	(0.008935)
Total MFC Rate per therm	\$	0.008040	\$	0.001618

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: August 28, 2014

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

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Statement Type: MFC Statement No. 48 page 2 of 2

New York State Electric & Gas Corporation Gas Supply Area 2 Binghamton & Owego Rate Areas Statement of Merchant Function Charge Effective: September 1, 2014

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

NYSEG Gas Merchant Function Charge

	GSA2	Residential \$ Per Therm		Non Residential \$ Per Therm	
	Monthly Gas Supply Charge	\$	0.438775	\$	0.435534
	Uncollectible Factor		1.69720%		0.18650%
1	Uncollectible Charge (Monthly Gas Supply Charge * Uncollectible Factor)	\$	0.007447	\$	0.000812
2	Gas Storage Inventory Carrying Charge	\$	0.003240	\$	0.003240
3	Working Capital - Commodity Hedges	\$	0.000153	\$	0.000153
4	Credit & Collections and Call Center	\$	0.004426	\$	0.004426
5	Administrative Charge	\$	0.001948	\$	0.001948
6	Prior Period Reconciliation	\$	(0.008935)	\$	(0.008935)
	Total MFC Rate	\$	0.008279	\$	0.001644

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: August 28, 2014

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