PSC NO. 87 Gas NEW YORK STATE ELECTRIC & GAS CORPORATION Initial Effective Date: July 1, 2013 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: July 1, 2013

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	\$	0.487021	\$	0.476011
Uncollectible Factor		1.95410%		0.20520%
Uncollectible Charge (Monthly Gas 1 Supply Charge * Uncollectible Factor)	\$	0.009517	\$	0.000977
2 Gas Storage Inventory Carrying Charge	\$	0.009348	\$	0.009348
3 Working Capital - Commodity Hedges	\$	0.002099	\$	0.002099
4 Credit & Collections and Call Center	\$	0.006881	\$	0.006881
5 Administrative Charge	\$	0.002120	\$	0.002120
6 Prior Period Reconciliation	\$	0.005812	\$	0.005812
Total MFC Rate per therm	\$	0.035777	\$	0.027237

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: June 27, 2013

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

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Statement Type: MFC Statement No. 34 page 2 of 2

New York State Electric & Gas Corporation Gas Supply Area 2 Binghamton & Owego Rate Areas Statement of Merchant Function Charge Effective: July 1, 2013

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	\$	0.612457	\$	0.605794
	Uncollectible Factor		1.95410%		0.20520%
1	Uncollectible Charge (Monthly Gas Supply Charge * Uncollectible Factor)	\$	0.011968	\$	0.001243
2	Gas Storage Inventory Carrying Charge	\$	0.009348	\$	0.009348
3	Working Capital - Commodity Hedges	\$	0.002099	\$	0.002099
4	Credit & Collections and Call Center	\$	0.006881	\$	0.006881
5	Administrative Charge	\$	0.002120	\$	0.002120
6	Prior Period Reconciliation	\$	0.005812	\$	0.005812
	Total MFC Rate	\$	0.038228	\$	0.027503

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: June 27, 2013

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