

PSC No: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: October 17, 2009

Leaf No. 117.12
Revision: 5
Superseding Revision: 3

GENERAL INFORMATION

25. Supply Service Options: (cont'd.)

I. Supply Service Options (cont'd.)

D. Merchant Function Charge (MFC): (cont'd.)

For Service Classification Nos. 11, 13, and 14, the customer's otherwise applicable service classification will determine the applicable MFC.

Beginning October 17, 2010, the following components of the MFC will be reconciled and reset annually:

1. Commodity uncollectibles: collections during the period will be reconciled to actual costs and this component of the MFC rate will be reset based on a recent twelve month history;
2. Working Capital: collections during the period will be reconciled to actual costs and this component of the MFC rate will be reset based on recent twelve month history
3. The units used to derive the MFC rate will be updated based on the most recently available forecast data

Beginning October 17, 2010, the unavoidable allocated portion of general and common plant, Administrative and General Expenses related to commodity, customer care costs related to commodity, and supply procurement expenses will be reconciled to the amounts most recently approved by the PSC for inclusion in the MFC. The reconciliation will capture over/under-collections due to variance in actual sales and those used to establish the amounts approved by the PSC for inclusion in the MFC. The unavoidable costs embedded in the MFC consist of the following components: Credit and collection costs, customer care costs (FERC accounts 901, 903 and 905), customer service costs (FERC accounts 908-916), administrative and general costs (FERC accounts 920-935), depreciation expenses and taxes. The over/under-collections will be passed back or collected from all customers

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