

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

Initial Effective Date: December 1, 2010

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

Statement Type: MFC

Statement No. 3

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New York State Electric & Gas Corporation
Gas Supply Areas 1 & 3
Combined, Elmira, Goshen, Champlain & Lockport Rate Areas
Statement of Merchant Function Charge
Effective: December 1, 2010

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

	Residential Customer \$ Per Therm	Non Residential Customer \$ Per Therm
Monthly Gas Supply Charge	\$ 0.704683	\$ 0.700510
Uncollectible Factor	1.97%	0.28%
Uncollectible Charge (Monthly Gas Supply 1 Charge * Uncollectible Factor)	\$ 0.013879	\$ 0.001948
2 Gas Storage Inventory Carrying Charge	\$ 0.009201	\$ 0.009201
3 Working Capital - Commodity Hedges	\$ 0.005179	\$ 0.005179
4 Credit & Collections and Call Center	\$ 0.005685	\$ 0.005685
5 Administrative Charge	\$ 0.001845	\$ 0.001845
Total MFC Rate per therm	\$ 0.035788	\$ 0.023857

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: November 24, 2010

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

Statement Type: MFC
Statement No. 3
page 2 of 2New York State Electric & Gas Corporation
Gas Supply Area 2
Binghamton & Owego Rate Areas
Statement of Merchant Function Charge
Effective: December 1, 2010

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	\$ 0.655312	\$ 0.653595
Uncollectible Factor	1.97%	0.28%
Uncollectible Charge (Monthly Gas Supply Charge 1 * Uncollectible Factor)	0.012907	0.001817
2 Gas Storage Inventory Carrying Charge	0.009201	0.009201
3 Working Capital - Commodity Hedges	0.005179	0.005179
4 Credit & Collections and Call Center	0.005685	0.005685
5 Administrative Charge	0.001845	0.001845
Total MFC Rate	\$ 0.034816	\$ 0.023727

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: November 24, 2010

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