PSC NO. 87 Gas NEW YORK STATE ELECTRIC & GAS CORPORATION Initial Effective Date: January 1, 2018 Issued in compliance with Order in Case No. 15-G-0284 dated June 15, 2016 Effective Date: 01/01/2018 Statement Type: MFC Statement No. 88

New York State Electric & Gas Corporation

Statement of Merchant Function Charge Effective: January 1, 2018, 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 S Per Therm	Non Residential Customer \$ Per Therm	
Monthly Gas Supply Charge	\$	0.395937	\$	0.395303
Uncollectible Factor		1.57340%		0.25030%
Uncollectible Charge (Monthly Gas Supply Charge 1 * Uncollectible Factor)	\$	0.006230	\$	0.000989
2 Gas Storage Inventory Carrying Charge	\$	0.001270	\$	0.001270
3 Working Capital - Commodity Hedges	\$	0.000022	\$	0.000022
4 Credit & Collections and Call Center	\$	0.005320	\$	0.005320
5 Administrative Charge	\$	0.010386	\$	0.010386
6 Prior Period Reconciliation	\$	(0.001337)	\$	(0.001337)
Total MFC Rate, per therm	\$	0.021891	\$	0.016650

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 28, 2017

Issued By: Joseph J. Syta, Vice-President, Controller and Treasurer