PSC NO. 87 Gas NEW YORK STATE ELECTRIC & GAS CORPORATION Initial Effective Date: August 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: August 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	\$	0.457323	\$	0.454079
Uncollectible Factor		1.76900%		0.18230%
Uncollectible Charge (Monthly Gas 1 Supply Charge * Uncollectible Factor)	\$	0.008090	\$	0.000828
2 Gas Storage Inventory Carrying Charge	\$	0.002694	\$	0.002694
3 Working Capital - Commodity Hedges	\$	0.000368	\$	0.000368
4 Credit & Collections and Call Center	\$	0.005497	\$	0.005497
5 Administrative Charge	\$	0.002057	\$	0.002057
6 Prior Period Reconciliation	\$	(0.008935)	\$	(0.008935)
Total MFC Rate per therm	\$	0.009771	\$	0.002509

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: July 29, 2014

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

Statement Type: MFC Statement No. 47 page 1 of 2

Statement Type: MFC Statement No. 47 page 2 of 2

New York State Electric & Gas Corporation Gas Supply Area 2 Binghamton & Owego Rate Areas Statement of Merchant Function Charge Effective: August 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	\$	0.471394	\$	0.468150
	Uncollectible Factor		1.76900%		0.18230%
1	Uncollectible Charge (Monthly Gas Supply Charge * Uncollectible Factor)	\$	0.008339	\$	0.000853
2	Gas Storage Inventory Carrying Charge	\$	0.002694	\$	0.002694
3	Working Capital - Commodity Hedges	\$	0.000368	\$	0.000368
4	Credit & Collections and Call Center	\$	0.005497	\$	0.005497
5	Administrative Charge	\$	0.002057	\$	0.002057
6	Prior Period Reconciliation	\$	(0.008935)	\$	(0.008935)
	Total MFC Rate	\$	0.010020	\$	0.002534

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: July 29, 2014

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