Received: 07/29/2013

Status: CANCELLED Effective Date: 08/01/2013

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

Initial Effective Date: August 1, 2013

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

Statement Type: MFC Statement No. 35 page 1 of 2

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, 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	\$	0.447422	\$	0.436369
Uncollectible Factor		1.95410%		0.20520%
Uncollectible Charge (Monthly Gas 1 Supply Charge * Uncollectible Factor)	\$	0.008743	\$	0.000895
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	\$	0.035003	\$	0.027155

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, 2013

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

Received: 07/29/2013

Status: CANCELLED Effective Date: 08/01/2013

Statement Type: MFC Statement No. 35 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, 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	\$	0.588424	\$	0.581825
Uncollectible Factor		1.95410%		0.20520%
Uncollectible Charge (Monthly Gas 1 Supply Charge * Uncollectible Factor)	\$	0.011498	\$	0.001194
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	\$	0.037758	\$	0.027454

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, 2013

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