

PSC NO: 90 GAS
NEW YORK STATE ELECTRIC & GAS CORPORATION
Initial Effective Date: 09/26/10
Issued in compliance with Order in Case 09-G-0716 dated 09/21/10

Leaf: 90.6.1
Revision: 2
Superseding Revision: 0

GENERAL INFORMATION

14. GAS SUPPLY CHARGE (GSC): (CONT'D)

C. The Total Average Cost of Gas is: (Cont'd)

(6) Merchant Function Charge (MFC):

The MFC will be applicable to only those customers taking gas supply service from the Company. A separate MFC will be calculated for residential and non residential customers

i) The MFC will include the following rate components as described in the Joint Proposal dated July 14, 2010 in Case Nos. 09-E-0715, 09-G-0716, 09-E-0717, and 09-G-0718.

- a) Commodity-related Uncollectible Costs;
- b) Commodity-related Credit and Collections and Call Center costs;
- c) Commodity-related Administrative costs;
- d) Cash Working Capital on Commodity Hedge Margin costs; and
- e) Cash Working Capital on Storage Inventory Carrying Costs.

.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York