

..DID: 21472
..TXT: PSC NO: 90 GAS LEAF: 90.6.1
COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 02/01/03 SUPERSEDING REVISION:
STAMPS: Issued in compliance with Commission order in Case 01-G-1668 dated 11/
RECEIVED: 01/30/03 STATUS: Effective EFFECTIVE: 02/01/03

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 Company will use a "proxy" for the MFC of 16.4 cents per dekatherm beginning October 1, 2002. The MFC will be adjusted annually, beginning July 1, 2003. The MFC shall be the sum of: (1) Gas Supply Uncollectibles; (2) Gas Inventory Carrying Charges; (3) Administrative and General Expense; and (4) the Adder divided by the forecasted weather normalized quantities of gas to be taken for delivery to the Company's firm sales customers during the twelve (12) calendar months ending the following August 31.

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

(Name of Officer, Title, Address)