Received: 09/28/2017 Status: CANCELLED

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

Statement Type: IGSC Date: 10/01/2017 Statement No. 122

Initial Effective Date: October 1, 2017

Issued in compliance with Order in Case No. 15-G-0284 dated June 15, 2016

New York State Electric & Gas Corporation

Statement of Incremental Gas Supply Charge Effective: October 1, 2017, and for each month thereafter, until changed

Applicable to Service Classifications No. 2 and No. 9 of PSC No. 87 Gas

The average cost of gas per therm calculated on September 28, 2017, by applying rates and charges of the Company's natural gas suppliers in effect on October 1, 2017, to quantites forecasted for the 12 months ended December 31, 2017

(per Therm)

Description	SC No. 2	SC No. 9
Firm Average Demand COG	\$0.140035	\$0.140035
Load Factor Adjustment (LFA)	0.9939	0.8284
Adjusted Firm Average Demand COG	\$0.139181	\$0.116005
Firm Average Commodity COG	\$0.169681	\$0.169681
Firm Average COG w/ LFA	\$0.308862	\$0.285686
Incremental Gas Supply COG	\$0.339748	\$0.314255
Factor of Adjustment (FA)	1.00030	1.00030
Total Average Incremental COG	\$0.339850	\$0.314349
Supplier Refund Adjustment	\$0.000000	\$0.00000
Interim Reconciliation Adjustment	\$0.000000	\$0.000000
Annual Reconciliation Adjustment	(\$0.013426)	(\$0.013426)
Heater Fuel Charge	\$0.000211	\$0.000211
Incremental GSC without MFC, Per Therm	\$0.326635	\$0.301134
<u>Description</u>	SC No. 2	SC No. 9
Merchant Function Charge	\$0.016401	\$0.016401

Dated: September 28, 2017

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