

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

Initial Effective Date: January 1, 2017

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

Statement Type: GSC

Statement No. 174

New York State Electric & Gas Corporation

Statement of Gas Supply Charge

Effective: January 1, 2017, and for each month thereafter, until changed

Applicable to Service Classifications No. 1, 2, 5 and 9 of PSC No. 87 Gas

The average cost of gas per therm calculated on December 29, 2016, by applying rates and charges of the Company's natural gas suppliers in effect on January 1, 2017, to quantities forecasted for the 12 months ended December 31, 2017
(per Therm)

<u>Description</u>	<u>SC No. 1</u>	<u>SC No. 2</u>	<u>SC No. 5</u>	<u>SC No. 9</u>
Firm Average Demand COG	\$0.132414	\$0.132414	\$0.132414	\$0.132414
Load Factor Adjustment (LFA)	1.0020	0.9939	0.4660	0.8284
Adjusted Firm Average Demand COG	\$0.132679	\$0.131606	\$0.061705	\$0.109692
Firm Average Commodity COG	\$0.266246	\$0.266246	\$0.266246	\$0.266246
Firm Average COG w/ LFA	\$0.398925	\$0.397852	\$0.327951	\$0.375938
Factor of Adjustment (FA)	1.00030	1.00030	1.00030	1.00030
Total Average COG	\$0.399045	\$0.397971	\$0.328049	\$0.376051
Supplier Refund Adjustment	\$0.000000	\$0.000000	\$0.000000	\$0.000000
Interim Reconciliation Adjustment	\$0.000000	\$0.000000	\$0.000000	\$0.000000
Annual Reconciliation Adjustment	(\$0.013426)	(\$0.013426)	(\$0.013426)	(\$0.013426)
Heater Fuel Charge	\$0.000301	\$0.000301	\$0.000301	\$0.000301
GSC without Merchant Function Charge, per Therm	\$0.385920	\$0.384846	\$0.314924	\$0.362926

<u>Description</u>	<u>SC No. 1</u>	<u>SC No. 2</u>	<u>SC No. 5</u>	<u>SC No. 5</u>
Merchant Function Charge	\$0.028002	\$0.018315	\$0.018315	\$0.018315

Note: Weather normalization adjustment (WNA) factors are computed on an individual customer basis. WNA factors are calculated annually for customers without adequate history and are filed with the Department of Public Service.

Dated: December 29, 2016

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