Received: 04/28/2016 Status: CANCELLED

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

Initial Effective Date: May 1, 2016

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

New York State Electric & Gas Corporation
All Areas
Statement of Incremental Gas Supply Charge
Effective: May 1, 2016, 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 April 28, 2016, by applying rates and charges of the Company's natural gas suppliers in effect on May 1, 2016, to quantites forecasted for the 12 months ended December 31, 2016

(per Therm)

Description	SC No. 2	SC No. 9
Firm Average Demand COG	\$0.134232	\$0.134232
Load Factor Adjustment (LFA)	0.9811	0.8401
Adjusted Firm Average Demand COG	\$0.131695	\$0.112768
Firm Average Commodity COG	\$0.164896	\$0.164896
Firm Average COG w/ LFA	\$0.296591	\$0.277664
Incremental Gas Supply COG	\$0.326250	\$0.305430
Factor of Adjustment (FA)	1.00181	1.00181
Total Average Incremental COG	\$0.326841	\$0.305983
Supplier Refund Adjustment	\$0.000000	\$0.000000
Interim Reconciliation Adjustment	\$0.000000	\$0.000000
Annual Reconciliation Adjustment	(\$0.026038)	(\$0.026038)
Other Adjustments	\$0.000000	\$0.000000
Incremental GSC without MFC, Per Therm	\$0.300803	\$0.279945
Description	SC No. 2	SC No. 9
Merchant Function Charge	\$0.011785	\$0.011785

Dated: April 28, 2016

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