Received: 05/27/2016 Status: CANCELLED

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

Statement Type: IGSC Date: 06/01/2016 Statement No. 106

Initial Effective Date: June 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: June 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 May 27, 2016, by applying rates and charges of the Company's natural gas suppliers in effect on June 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	\$0.133406	\$0.133406
Load Factor Adjustment (LFA)	0.9811	0.8401
Adjusted Firm Average Demand COG	\$0.130885	\$0.112074
Firm Average Commodity COG	\$0.170342	\$0.170342
Firm Average COG w/ LFA	\$0.301227	\$0.282416
Incremental Gas Supply COG	\$0.331350	\$0.310658
Factor of Adjustment (FA)	1.00181	1.00181
Total Average Incremental COG	\$0.331949	\$0.311220
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	\$0.00000
Incremental GSC without MFC, Per Therm	\$0.305911	\$0.285182
Description	SC No. 2	SC No. 9
Merchant Function Charge	\$0.011798	\$0.011798

Dated: May 27, 2016

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