

..DID: 650
..TXT: PSC NO: 87 GAS STATEMENT TYPE: FPO
COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION STATEMENT NO: 2
INITIAL EFFECTIVE DATE: 04/01/97
STAMPS:
Cancelled by Statement FPO Number 3 Effective 05/01/1997
RECEIVED: 03/26/97 STATUS: Cancelled EFFECTIVE: 04/01/97

STATEMENT OF FIXED PRICE OPTION
Service Classifications No. 2 and 8
(Per Therm)

FINAL PRICES BASED ON MARCH 21, 1997 CLOSING

| MONTH | NYMEX PRICE | NYMEX BASE | ADJUSTMENT |
|-------|----------------|---------------|------------|
| 1 | \$0.1765 | \$0.1550 | \$0.0215 |
| 3 | \$0.1867 | \$0.1550 | \$0.0317 |
| 6 | \$0.1905 | \$0.1550 | \$0.0355 |
| 9 | \$0.2070 | \$0.1550 | \$0.0520 |
| 12 | \$0.2141 | \$0.1550 | \$0.0591 |
| 15 | \$0.2123 | \$0.1550 | \$0.0573 |
| 16 | \$0.2120 | \$0.1550 | \$0.0570 |

Note: 1 Month Fixed Price Option is used solely to establish the Maximum Allowable Rate for Non-Core Sales Customers.

Issued By: Michael I. German, Senior Vice President, Binghamton, New York
(Name of Officer, Title, Address)