

..DID: 536  
..TXT: PSC NO: 87 GAS STATEMENT TYPE: FPO  
COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION STATEMENT NO: 1  
INITIAL EFFECTIVE DATE: 03/08/97  
STAMPS:  
Cancelled by Statement FPO Number 2 Effective 04/01/1997  
RECEIVED: 03/07/97 STATUS: Cancelled EFFECTIVE: 03/08/97

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

**FINAL PRICES BASED ON FEBRUARY 24, 1997 CLOSING**

| MONTH | NYMEX<br>PRICE | NYMEX<br>BASE | ADJUSTMENT |
|-------|----------------|---------------|------------|
| 1     | \$0.1875       | \$0.1550      | \$0.0325   |
| 3     | \$0.1806       | \$0.1550      | \$0.0256   |
| 6     | \$0.1836       | \$0.1550      | \$0.0286   |
| 9     | \$0.1937       | \$0.1550      | \$0.0387   |
| 12    | \$0.2088       | \$0.1550      | \$0.0538   |
| 15    | \$0.2082       | \$0.1550      | \$0.0532   |
| 17    | \$0.2078       | \$0.1550      | \$0.0528   |

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)