Received: 10/27/2017 Status: CANCELLED

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

 $\begin{array}{c} \text{Effective Date: } 11/01/2017 \\ \text{Statement Type: IGSC} \\ \text{Statement No. 123} \end{array}$

Initial Effective Date: November 1, 2017 Issued in compliance with Order in Case No. 15-G-0284 dated June 15, 2016

New York State Electric & Gas Corporation

Statement of Incremental Gas Supply Charge Effective: November 1, 2017, 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 October 27, 2017, by applying rates and charges of the Company's natural gas suppliers in effect on November 1, 2017, to quantites forecasted for the 12 months ended December 31, 2017 (per Therm)

Description	SC No. 2	SC No. 9
Firm Average Demand COG	\$0.139906	\$0.139906
Load Factor Adjustment (LFA)	0.9939	0.8284
Adjusted Firm Average Demand COG	\$0.139053	\$0.115898
Firm Average Commodity COG	\$0.245599	\$0.245599
Firm Average COG w/ LFA	\$0.384652	\$0.361497
Incremental Gas Supply COG	\$0.480815	\$0.451871
Factor of Adjustment (FA)	1.00030	1.00030
Total Average Incremental COG	\$0.480959	\$0.452007
Supplier Refund Adjustment	\$0.000000	\$0.000000
Interim Reconciliation Adjustment	\$0.000000	\$0.000000
Annual Reconciliation Adjustment	(\$0.013426)	(\$0.013426)
Heater Fuel Charge	\$0.000309	\$0.000309
Incremental GSC without MFC, Per Therm	\$0.467843	\$0.438890
Description	SC No. 2	SC No. 9
Merchant Function Charge	\$0.016591	\$0.016591

Dated: October 27, 2017

Issued By: Joseph J. Syta, Vice-President, Controller and Treasurer