Effective Date: 08/01/2016 Statement Type: IGSC Statement No. 108

PSC NO. 87 Gas NEW YORK STATE ELECTRIC & GAS CORPORATION Initial Effective Date: August 1, 2016

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: August 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 July 28, 2016, by applying rates and charges of the Company's natural gas suppliers in effect on August 1, 2016, to quantites forecasted for the 12 months ended December 31, 2016

(per Therm)

Description	<u>SC No. 2</u>	<u>SC No. 9</u>
Firm Average Demand COG	\$0.136828	\$0.136828
Load Factor Adjustment (LFA)	0.9811	0.8401
Adjusted Firm Average Demand COG	\$0.134242	\$0.114949
Firm Average Commodity COG	\$0.188940	\$0.188940
Firm Average COG w/ LFA	\$0.323182	\$0.303889
Incremental Gas Supply COG	\$0.355500	\$0.334278
Factor of Adjustment (FA)	1.00181	1.00181
Total Average Incremental COG	\$0.356144	\$0.334883
Supplier Refund Adjustment	\$0.000000	\$0.000000
Interim Reconciliation Adjustment	\$0.000000	\$0.000000
Annual Reconciliation Adjustment	(\$0.026038)	(\$0.026038)
Heater Fuel Charge	\$0.000209	\$0.000209
Incremental GSC without MFC, Per Therm	\$0.330314	\$0.309054

Description	<u>SC No. 2</u>	<u>SC No. 9</u>
Merchant Function Charge	\$0.017953	\$0.017953

Dated: July 28, 2016

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