Received: 01/20/2006

Status: CANCELLED Effective Date: 02/01/2006

PSC No: 88 – Gas Statement Type: DISC New York State Electric & Gas Corporation Statement No. 1

New York State Electric & Gas Corporation Initial Effective Date: February 1, 2006

Purchase of ESCO Accounts Receivable (POR) Discount

Gas accounts receivable will be purchased at a discount off face value of the ESCO receivable.

Discount 1.66%

Issued in Compliance with order in Case 05-M-0453 dated 12/27/2005.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Rochester, New York