PSC NO. 88 Gas   Statement Type: TSF
NEW YORK STATE ELECTRIC & GAS CORPORATION   Statement Number: 12
Initial Effective Date: 2/4/04

STATEMENT OF EFFECTIVE TAX SURCHARGE FACTORS

   The prices and charges for service under all service classifications will be increased by dividing the total of such prices and charges by a Tax Surcharge Factor which collects Gross Income Tax in accordance with Section 3.A. of PSC No. 87 and PSC No. 88; plus, where applicable, the 1% municipal tax rate in accordance with Section 3.B. of PSC No. 87 and PSC No. 88, and where applicable, the Temporary Metropolitan Transportation Business Tax Surcharge, in accordance with Section 3.C. of PSC No. 87 and PSC No. 88. For cities, villages or other areas served, the applicable surcharge factors are as follows:

<u>**ORANGE COUNTY**</u>**:**

 Cities or Villages: Surcharge Factor: Transportation: .982945

    Includes Villages of: Goshen and Walden.

 All Other Areas: Surcharge Factor: Transportation: .982945

<u>**PUTNAM COUNTY**</u>**:**

 All Areas: Surcharge Factor: Transportation: .982665

<u>**ALL OTHER COUNTIES**</u>**:**

 Cities or Villages: Surcharge Factor: Transportation: .985511

   Includes Cities of: Auburn, Binghamton, Canandaigua, Cortland, Elmira, Geneva, Ithaca, Lockport, Mechanicville, Norwich, Olean, Oneonta and Plattsburgh.

   Includes Villages of: Albion, Allegany, Cayuga, Cayuga Heights, Clyde, Cobleskill, Dannemora, Dansville, Deposit, DeRuyter, Dryden, Dundee, Elbridge, Elmira Heights, Groton, Homer, Johnson City, Jordan, Lansing, Lowville, Lyndonville, Lyons, Macedon, Manchester, Marcellus, McGraw, Medina, Middleport, Montour Falls - T. of Dix, Montour Falls - T. of Montour, Moravia, Morrisville, Newark, Nunda, Owego, Palmyra, Penn Yan, Port Byron, Port Dickinson, Seneca Falls, Shortsville, Trumansburg, Union Springs, Walton, Waterloo, Watkins Glen - T. of Dix, Watkins Glen - T. of Reading and Weedsport.

 All Other Areas: Surcharge Factor: Transportation: .985511

        Issued by: James A. Lahtinen, Vice President - Rates & Regulatory Economics, Binghamton, NY