

..DID: 9235  
..TXT:

July 1, 1999

Honorable Debra Renner  
Acting Secretary  
Public Service Commission  
State of New York  
3 Empire State Plaza  
Albany, New York 12223

Re: Case No. 98-G-0122

Dear Acting Secretary Renner:

The enclosed revised leaf, issued by New York State Electric & Gas Corporation ("NYSEG" or the "Company"), is transmitted for filing in compliance with the requirements of the Public Service Commission, State of New York.

First Revised Leaf No. 108 to PSC No. 88 Gas

Effective July 2, 1999.

Proposed Revisions

NYSEG submits further revisions to the proposed tariff leaves filed with the PSC on May 13, 1999 in the captioned case.

Reasons for Proposed Revisions

NYSEG proposes to revise the May 13, 1999 filing to incorporate a marginal system cost price of \$.0110 per therm.

Background

On May 13, 1999, NYSEG filed its proposed tariffs in compliance with the Commission's Order in Case 98-G-0122, Proceeding on Motion of the Commission to Review the Bypass Policy Relating to the Pricing of Gas Transportation for Electric Generation, issued March 16, 1999 ("Order").

The filing incorporated the requirements of the Order into a new Service Classification No. 15, "Basic Electric Generation Transportation Service". NYSEG's pricing provision B of Service Classification No. 15 stated that the specific charges for service would include an amount to cover marginal system costs reflecting the long-run incremental cost of building transmission and high capacity distribution. However, no rate was explicitly stated in the tariff. Staff has requested that NYSEG include its rate in the tariff. Therefore, the Company is submitting a revised tariff leaf to include its marginal system costs rate of \$.0110 per therm.

Notification

Per Ordering Clause No. 2 of the Commission's March 16, 1999 Order, the requirement of §66(12)(b) of the Public Service Law as to newspaper publication of the revisions is waived.

Company Contacts

Questions regarding this filing should be addressed to myself at (607) 762-5611, or Dan Verdun at (607) 762-4296.

Very truly yours,

/sra  
Encls.  
Cy.: Alan F. Mostek, PSC  
John W. Lurski, PSC

Steven R. Adams  
Manager - Gas Pricing, Regulation & Strategy