

..DID: 1708  
..TXT:

December 4, 1997

Honorable John C. Crary  
Secretary  
Public Service Commission  
State of New York  
3 Empire State Plaza  
Albany, New York 12223

Re: Case No. 97-G-1427

Dear Secretary Crary:

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

Third	Revised	Leaf No. 2	to PSC No. 88 Gas
Second	Revised	Leaf No. 6	to PSC No. 88 Gas
Fifth	Revised	Leaf No. 7	to PSC No. 88 Gas
Second	Revised	Leaf No. 13	to PSC No. 88 Gas
Second	Revised	Leaf No. 15	to PSC No. 88 Gas
Second	Revised	Leaf No. 16	to PSC No. 88 Gas
First	Revised	Leaf No. 16.1	to PSC No. 88 Gas
First	Revised	Leaf No. 16.2	to PSC No. 88 Gas
First	Revised	Leaf No. 16.3	to PSC No. 88 Gas
Original		Leaf No. 16.4	to PSC No. 88 Gas
Second	Revised	Leaf No. 34	to PSC No. 88 Gas
Second	Revised	Leaf No. 35	to PSC No. 88 Gas
Third	Revised	Leaf No. 55	to PSC No. 88 Gas
Third	Revised	Leaf No. 71	to PSC No. 88 Gas
Original		Leaf No. 71.1	to PSC No. 88 Gas
Second	Revised	Leaf No. 95	to PSC No. 88 Gas
First	Revised	Leaf No. 98	to PSC No. 88 Gas
Third	Revised	Leaf No. 99	to PSC No. 88 Gas
Second	Revised	Leaf No. 100	to PSC No. 88 Gas
Second	Revised	Leaf No. 101	to PSC No. 88 Gas
First	Revised	Leaf No. 104	to PSC No. 88 Gas
Third	Revised	Leaf No. 105	to PSC No. 88 Gas
First	Revised	Leaf No. 105.1	to PSC No. 88 Gas
Second	Revised	Leaf No. 106	to PSC No. 88 Gas
First	Revised	Leaf No. 107	to PSC No. 88 Gas

Effective January 4, 1998.

#### Proposed Revisions

NYSEG submits revisions to the proposed tariff leaves filed with PSC on August 14, 1997, to offer Managed Storage Service ("MSS"). The changes contained herein: a) reallocate the amount of upstream pipeline capacity and MSS that will be allocated to the customer; b) move the associated charges for the management of storage quantities from a usage basis to an MDQ basis; and c) change the billing of MSS to the customer's designated agent instead of the customer.

#### Reasons for Proposed Revisions

Based on discussions with the PSC Staff, MSS and upstream pipeline capacity will be allocated to customers based on the individual customer's load factor. MSS will continue to comprise the difference between the customer's maximum daily transportation quantity (MDTQ) and the quantity of upstream pipeline capacity assigned.

Further, since storage capacity will be managed on a "pool" basis (i.e. by each designated agent's aggregated pool), bills rendered for MSS will be sent to the designated agents for their pools as a whole. Designated agents will initially purchase storage gas from NYSEG and be required to sell back any inventory gas if one of their customers returns to sales service.

#### Background

On August 14, 1997, NYSEG submitted a compliance filing with draft tariff leaves offering Managed Storage Service. This was done in compliance to a Commission order in Case 93-G-0932. Subsequent to this compliance filing, the Commission staff reviewed NYSEG's proposal. After numerous discussions with the PSC Staff, NYSEG is submitting new proposed tariff leaves.

#### Details of Tariff Revision

NYSEG changed the allocation of upstream pipeline capacity methodology to be based on the customer's load factor. Such a change will allocate storage and upstream pipeline capacity in a manner that matches the customers' individual pipeline and storage needs with their ability to deliver gas.

NYSEG also changed the MSS requirements so that the designated agents will be required to purchase and sell any storage gas quantities for their customers. Likewise, NYSEG shall bill the designated agents and not the customers for MSS.

#### Customer Impact Assessment

There is no negative impact to any customer as a result of these changes. Since MSS will be billed to the designated agents, participants and non-participants will not see any increased costs from the Company.

#### Special Requests

Pursuant to 16 NYCRR Part 270.13(b), NYSEG respectfully requests that these tariff leaves be allowed to become effective on January 1, 1998, the proposed effective date of the original filing.

#### Newspaper Publication & SAPA

NYSEG requests waiver from newspaper publication, pursuant to 16 NYCRR 270.70(a), of this proposed change since this was published at the time the Company filed its' original filing on August 14, 1997 and this is a further revision to that filing.

#### 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,

/mpw  
Encls.  
Cy.: Lyle VanVranken, PSC

Steven R. Adams  
Manager - Gas Pricing