

..DID: 20588  
..TXT:

September 27, 2002

Honorable Janet H. Deixler  
Secretary  
Public Service Commission  
State of New York  
3 Empire State Plaza  
Albany, New York 12223

Re: Case No. 01-G-1668 - New York State Electric & Gas Corporation -  
Gas Rates

Dear Secretary Deixler:

The enclosed supplements, issued by New York State Electric & Gas Corporation ("NYSEG" or the "Company"), are transmitted for filing in compliance with the Order of the Public Service Commission ("PSC" or the "Commission"), State of New York, issued September 24, 2002 in Case No. 01-G-1668.

The Order directing the further suspension of these leaves discusses that NYSEG agreed to extend the suspension period through November 15, 2002 provided the Company is "made whole" back to October 1, 2002 as a result of such extension. The recommendation section does not address the "made whole" provision. However, it is the Company's understanding that the exclusion of the make whole provision in the Recommendation section of the suspension order was an oversight. The understanding reached with Staff in the letter executed by Staff and the Company on March 22, 2002 explicitly conditioned the extension of the suspension period on the granting of a make whole provision back to October 1, 2002, and that understanding was confirmed in a conversation with Staff counsel today, September 27, 2002.

Accordingly, NYSEG is filing the suspension supplements deferring the effective date of the tariffs to November 15, 2002, with the express understanding that the Company will be "made whole" as to the rates, charges, rules and regulations addressed by the proposed tariff provision, as modified and approved by the Commission, effective as of October 1, 2002.

Supplement No. 4 to PSC No. 87 Gas  
Supplement No. 12 to PSC No. 88 Gas  
Supplement No. 4 to PSC No. 90 Gas

Questions regarding these supplements should be directed to Susan Gallia at (607) 762-7265.

Very truly yours,

/dlm  
Encls.  
Cy. Active Parties In Case 01-G-1668  
(via electronic mail)

Christine M. Stratakos  
Manager - Rates & Tariffs