

..DID: 20545

..TXT:

September 26, 2002

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

Re: Compliance Filing -- Energy Tax Reform Act of 2000; New York State Electric & Gas Corporation's Gas Joint Proposal  
Case No. 00-M-1556 - In the Matter of the Proposed Accounting and Ratemaking for the Tax Law Changes Included in the 2000-2001 New York State Budget;  
Case No. 01-G-1668 - Proceeding on the Motion of the Commission as to the Rates, Charges, Rules and Regulations of New York State Electric & Gas Corporation for Gas Service

Dear Secretary Deixler:

The enclosed revised Tax Surcharge Factor ("TSF") Statements, 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 ("Commission"), State of New York.

Statement No. TSF 5 to PSC No. 87 Gas  
and  
Statement No. TSF 5 to PSC No. 88 Gas

Effective October 1, 2002.

In compliance with the provisions of the Commission's Order Implementing Tax Law Changes on a Permanent Basis, issued and effective June 28, 2001, in Case No. 00-M-1556, and pursuant to NYSEG's Gas Joint Proposal dated September 12, 2002, Case No. 01-G-1668, the Company has calculated a refund rate to pass back to customers the \$1,223,027 over-collection of gas business related New York State taxes for the year ending December 31, 2000, including interest thereon at the Commission's Other Customer Provided Capital Rates. The refund will be returned to customers over the 12-month period beginning October 1, 2002.

The attached revised statements are being filed to revise NYSEG's current tax surcharge factors to incorporate the refund rate.

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

Very truly yours

/dlm  
Encls.  
Cy.:Alan F. Mostek, PSC

Christine M. Stratakos  
Manager - Rates & Tariffs