

..DID: 4610
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NYSEG

July 16, 1998

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

Dear Secretary Crary:

The enclosed Revenue Tax Surcharge Statements reflecting new revenue tax surcharges, issued by New York State Electric & Gas Corporation ("NYSEG"), are transmitted for filing in compliance with the requirements of the Public Service Commission of the State of New York.

Statement No. 4 to PSC No. 87 Gas
Statement No. 4 to PSC No. 88 Gas
Statement No. 2 to PSC No. 89 Gas

Effective August 1, 1998.

The above statements are being filed pursuant to General Information Section No. 3 of PSC Nos. 87 and 88 Gas and Section No. 37 of PSC No. 89.

This filing is in compliance with Section 9 of the October 17, 1995 Multi-Year Settlement Agreement Concerning Gas Rates of New York State Electric & Gas Corporation in Case No. 95-G-0427. Section 9 stated, in part:

"During the term of this Agreement, the rates and charges to customers shall reflect the revenue tax surcharge ("RTS") effective November 30, 1995. Upon completion of the final rate year of the Agreement, the Company shall: (a) file a new RTS Statement, to be effective August 1, 1998, which reflects the effective tax rates and surcharges which comprise the RTS;..."

The enclosed proposed statements reflect the current effective tax rates and surcharges.

The Villages of Deposit and Goshen began imposing the 1% surcharge during the period of the settlement agreement, therefore, they are being added to the appropriate statements.

A workpaper supporting the revised Revenue Tax Surcharge factors is being forwarded to Lyle VanVranken. Questions regarding these revisions should be directed to me at (607) 762-5611.

Very Truly Yours,

/dls
Encls.

STEVEN R. ADAMS
Manager - Gas Pricing

Cy.:Lyle VanVranken, PSC