

..DID: 19346  
..TXT:

June 10, 2002

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

Re: Case No. 00-M-0504

Dear Secretary Deixler:

The enclosed revised and original 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 (the "Commission" or the "PSC"), State of New York.

Second	Revised	Leaf No. 50.8	to PSC No. 88 Gas
Original		Leaf No. 50.8.1	to PSC No. 88 Gas

Effective June 11, 2002.

In compliance with the Commission's Order Concerning ESCO Deposits and Prepayments, issued May 9, 2002 (the "May 9<sup>th</sup> Order") in the above proceeding, the Company has modified its gas tariff provisions for Marketer Creditworthiness.

The May 9<sup>th</sup> Order contains the Commission's latest changes to UBP creditworthiness rules. It establishes credit requirements to permit a Marketer to accept prepayments and deposits from customers. With the proposed changes filed today, a Marketer that has submitted certain bond rating evidence, posted a letter of credit, or created an escrow account with a financial institution with at least an A credit rating, may accept prepayments and deposits from its customers. According to the May 9<sup>th</sup> Order, Marketer policies pertaining to deposits and prepayments must be set forth in Marketer disclosure statements and shared with PSC Staff prior to implementation.

On June 7, 2002, NYSEG electronically submitted and overnight mailed a Petition for Rehearing of the May 9<sup>th</sup> Order in conjunction with Niagara Mohawk Power Corporation, Central Hudson Gas & Electric Corporation, and Rochester Gas and Electric Corporation. NYSEG will file revisions to the enclosed tariff leaves if that Petition is approved by the PSC.

NYSEG is separately filing electric tariff revisions in response to the May 9<sup>th</sup> Order. Please direct any questions pertaining to this filing to Anne Reichert at (607) 762-7742.

Very truly yours,

/apr  
Encls.

Christine M. Stratakos  
Manager - Rates & Tariffs