

March 14, 2006

Hon. Jaclyn A. Brillling
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: Case 98-G-0122 Proceeding to Review the Bypass Policy Relating to the Pricing
of Gas Transportation for Electric Generation

Dear Secretary Brillling:

New York State Electric & Gas Corp. ("NYSEG or the Company") hereby submits the following tariff leaves, to become effective on not less than one day's notice on March 15, 2006 in compliance with ordering clause #2 of the above referenced case.¹ These tariff revisions establish the prescribed methodology for the Value Added Charge (VAC).

NYSEG currently has no customers on this rate class. Should NYSEG receive a customer request for this rate, the Company proposes to use estimates of decatherm delivery to calculate the initial VAC. These estimates will be reconciled in subsequent years, based on the methodology in the tariff.

The requirements of Section 66(12)(b) of the Public Service Law as to newspaper publication is waived, in accordance with the Order.

Christine M. Stratakos
Manager, Regulatory & Tariffs
Rates & Regulatory Economics

¹ The Order Approving Staff Proposal, issued and effective November 23, 2005, in Cases 98-G-0122, 03-G-1392 and 03-G-1395.