

November 20, 2008

VIA ELECTRONIC FILING

Honorable Jaclyn A. Brilling
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223

RE: **Case 07-E-0479 – Tariff Filing of New York State Electric & Gas Corporation to Offer Customers a Single Fixed Supply Service – Compliance Filing of January 1, 2009 Tariffs**

Dear Secretary Brilling:

The enclosed tariff leaves and Statements, issued by New York State Electric & Gas Corporation (“NYSEG” or the “Company”), are transmitted for filing in compliance with the Public Service Commission’s (“PSC” or “Commission”) Order Establishing Commodity Program, issued and effective August 29, 2007 (“August 2007 Order”), in the above-referenced proceeding, and are to become effective January 1, 2009. This filing is also made in accordance with Appendix 7-H (electronic tariff filing system) to the Commission's Codes, Rules and Regulations (16 NYCRR Appendix 7-H).

PSC No. 120 – Electricity, Schedule for Electric Service

Leaf No. 287, Revision 19
Leaf No. 287.1, Revision 5
Leaf No. 288, Revision 18
Leaf No. 288.1, Revision 11
Leaf No. 288.2, Revision 3
Leaf No. 289, Revision 31
Leaf No. 293, Revision 19
SC Statement No. 3
TCS Statement No. 55
EIR Statement No. 53

PSC No. 121 – Electricity, Schedule for Electric Service Street Lighting

SC Statement No. 3
TCS Statement No. 55

In PSC No.120, the Supply Charge Statement sets forth the fixed commodity charges for the NYSEG Fixed Price Option applicable to S.C. Nos. 1, 2, 3, 5, 6, 7, 8, 9, and 12. In PSC No.121, the Supply Charge Statement sets forth the fixed commodity charges for the NYSEG Fixed Price Option applicable to S.C. Nos. 1, 2, and 3.

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The filing of Supply Charge Statements for the NYSEG Fixed Price Option is made annually to become effective January 1 of each commodity rate period.

In PSC No.120, the TCS Statement sets forth the fixed Transition Charge for NYSEG and is applicable to S.C. Nos. 1, 2, 3, 5, 6, 7, 8, 9, and 12. In PSC No.121, the TCS Statement sets forth the fixed Transition Charge for NYSEG and is applicable to S.C. Nos. 1, 2, and 3.

The filing of Transition Charge Statements is made annually, to become effective January 1 of each commodity rate period. Consistent with NYSEG's Joint Proposal, the NBC is forecasted and set each November 1 for the following calendar year. The NBC is a fixed charge that is the same for all customers within a given service class, whether they choose to take supply service from NYSEG or from an Energy Service Company. Differences between actual and forecast costs and loads will be symmetrically reconciled and trued-up annually, according to the sample calculation in NYSEG's Response NFSS-0019 to a Staff Information Request dated May 18, 2007. The reconciliation will include any gains or losses associated with purchases made in the real time market at prices differing from prices in the day ahead market, as provided for in the Company's tariff. The credits or charges related to the reconciliation will flow through the following period's fixed NBC.

The reconciliation for NYSEG's 2008 NBC will be set on November 1, 2008 using actual information from January through September 2008 and forecasted amounts for October through December 2008. The forecast for October through December of 2008 was based on the average forward prices over the October 3, 2008 to October 24, 2008 period. The reconciliation of the 2008 NBC will be included in the 2009 NBC rate. The October through December 2008 forecasted amounts included in the 2009 NBC rate will be trued-up with the 2009 annual NBC reconciliation in NYSEG's 2010 fixed NBC, with workpapers provided in an April 2009 filing.

NYSEG is also including for recovery through the fixed NBC an under-collection of Merchant Function Charge Revenues for 2007 (twelve months of actual) and 2008 (eight months of actual plus four months of forecast), in accordance with Case 05-E-1222. Recoverable MFC revenues related to 2007 total \$1,906,372. As of August 2008, recoverable MFC revenues, including the forecast of 4 months, total \$1,725,315. Any true-up for the four months of 2008 forecast will be passed through the 2010 fixed NBC, with work papers provided in an April 2009 filing.

In PSC No.120, the EIR Statement sets forth the Economic Development Rate for NYSEG. The per kilowatt-hour discount rate is applicable to customers with an economic incentive as specified on the EIR Statement and taking service under S.C. Nos. 2, 3, or 7.

The filing of Economic Incentive Rate Statement for NYSEG is made annually, to become effective January 1 of each commodity rate period. As a result of the applicable 2009 Fixed Transition Charge (NBC) being less than the ancillary service and NYPA Transmission Access Charge (NTAC) components of the Transition Charge, the per kWh Economic Incentive Rate referenced in the Economic Incentive Rate Statement for certain customers receiving an Economic Development Incentive (EDI), or Economic Development Zone Incentive (EDZI), or Incremental Load Incentive (ILI) is set to zero.

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The Company requests that the requirement of § 66(12) (b) of Public Service Law and 16 NYCRR §720-8.1 as to newspaper publication be waived. All customers will be made aware of the 2009 fixed prices through various means, including enrollment materials, which contain the price information, mailed to all eligible customers; the Company's voice response system and website, which contain the price information; and general outreach and education associated with the Voice Your Choice program.

Please direct any questions pertaining to this filing to Lori Cole at (607) 762-8710 or me at (607) 762-7341.

Very truly yours,

Christine M. Stratakos
Manager - Pricing & Analysis
Rates & Regulatory Economics

Enclosures