

August 1, 2008

VIA ELECTRONIC FILING

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

Re: Case 07-M-0548 – Order Establishing Energy Efficiency Portfolio Standard
and Approving Programs - Compliance Filing

Dear Secretary Brillling:

New York State Electric & Gas Corporation ("NYSEG" or "the Company") hereby submits for filing the following enclosed tariff leaves in compliance with the New York Public Service Commission's ("Commission's") Order Establishing Energy Efficiency Portfolio Standard and Approving Programs, in Case 07-M-0548, issued and effective June 23, 2008 (the "Order"). 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). The leaves are proposed to become effective on October 1, 2008. A listing of the proposed revised tariff leaves is enclosed as Attachment A.

Overview of the Filing

Pursuant to the Order, the Company is filing revisions to its tariff to begin collecting additional revenue through the existing System Benefits Charge ("SBC") for electricity customers and establishing a new SBC for gas customers to fund Energy Efficiency programs for each type of service. These surcharges will be effective on October 1, 2008 and will apply to customer usage on and after that date.

Ordering Clause No. 2 of the Order establishes the annual incremental amount of \$22,444,440 to be collected by NYSEG through the existing electric SBC. For the period October 1, 2008 through December 31, 2008, one-quarter of the annual amount will be collected through an augmented electric SBC surcharge.

Ordering Clause No. 3 of the Order establishes the annual incremental amount of \$1,059,241 to be collected by NYSEG through a new gas SBC surcharge. This surcharge will be applicable to residential customers and certain non-residential customers that

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qualify for residential rates¹. Consistent with the electric surcharge above, one-quarter of the annual amount will be collected through a gas SBC surcharge for the period of October 1, 2008 through December 31, 2008.

The incremental annual collection amounts identified above are to continue in effect through December 31, 2011. Any over- or under-collections will be reconciled on an annual basis.

Newspaper Publication

Per Ordering Clause No. 6 of the Order, the requirements of Section 66(12) (b) of the Public Service Law as to newspaper publication of the changes proposed by this filing is waived.

Company Contacts

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

Very truly yours,

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

Enclosures

¹ Pursuant to Section 76 of Public Service Law, customers utilizing service exclusively in connection with religious purposes by a corporation or association organized and conducted in good faith for religious purposes are eligible for rates charged to residential customers. Applicable also to use exclusively in connection with a community residence for the mentally disabled, as defined in subdivision 28, 28-a, or 28-b of section 1.03 of the mental hygiene law, provided that such residence is operated by a not-for-profit corporation and, if supervisory staff is on site 24 hours a day, that the residence provides living accommodations for 14 or fewer residents. Also applicable to any not-for-profit corporation that is a veterans' organization that owns or leases a post or hall.

**New York State Electric & Gas Corporation
Energy Efficiency Portfolio Standard and Approving Programs- Compliance Filing**

List of Tariff Leaves

PSC No. 120 – Electricity, Schedule for Electric Service

Leaf No. 18, Revision 8

Leaf No. 123, Revision 14

Leaf No. 133, Revision 16

Leaf No. 161, Revision 6

Leaf No. 197, Revision 13

Leaf No. 208, Revision 15

Leaf No. 221, Revision 16

Leaf No. 261, Revision 14

Leaf No. 272, Revision 16

Leaf No. 289, Revision 28

Leaf No. 300, Revision 14

Leaf No. 310, Revision 14

Leaf No. 318, Revision 15

SBC Statement No. 01 to PSC 120 - Electricity

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

Leaf No. 14, Revision 10

Leaf No. 24, Revision 11

Leaf No. 37, Revision 12

Leaf No. 59, Revision 11

SBC Statement No. 01 to PSC 121 - Electricity

PSC No. 87 – Gas, Schedule for Gas Service

Leaf No. 13.1, Revision 7

Leaf No. 56, Revision 3

SBC Statement No. 01 to PSC 87 - Gas

PSC No. 88 – Gas, Schedule for Gas Service

Leaf No. 98.1, Revision 11

Leaf No. 127, Revision 5

SBC Statement No. 01 to PSC 88 - Gas

PSC No. 90 – Gas, Schedule for Gas Service

Leaf No. 3.1, Revision 6

Leaf No. 105, Revision 3

Leaf No. 106, Revision 2

Leaf No. 107, Revision 2

Leaf No. 108, Revision 2

Leaf No. 109, Revision 2

Leaf No. 110, Revision 2