

November 9, 2006

VIA ELECTRONIC FILING

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

Re: New York State Electric & Gas Corporation –  
Compliance Tariff Filing  
Cases 05-E-0876 and 05-G-0878

Dear Secretary Brillling:

The enclosed tariff leaves, issued by New York State Electric & Gas Corporation (“NYSEG” or “the Company”), are transmitted for filing in compliance with the requirements of the New York State Public Service Commission (“PSC” or “Commission”) and 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 January 1, 2007. A listing of the proposed revised tariff leaves is enclosed as Attachment A.

Purpose of the Filing

The purpose of this filing is to file revised tariff leaves in further compliance with the Commission’s Order issued and effective December 23, 2005 in Cases 05-E-0876 and 05-G-0878. The enclosed tariff leaves complete the unbundling of natural gas prices in order to display a Bill Issuance Charge on customer bills. The filing involves a change from the currently effective “backout” credit, which is applied to the bill of a customer that takes supply from an ESCO for whom the Company provides a consolidated bill, to a charge on the bill of customers that take full service from the Company.

Background

On July 20, 2005, NYSEG filed proposed electric and gas tariff revisions to conform to the specifications of its new billing system. The filing letter stated that the new billing system would provide the platform for the implementation of unbundled charges for competitive services and associated bill format modifications which would be undertaken in the manner and timeframe previously proposed by the Company. On page 4 of its March 21, 2005 Letter Petition for Clarification filed in Case 00-M-0504 (the “Petition”)<sup>1</sup>, NYSEG recommended that

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<sup>1</sup> Case 00-M-0504, Proceeding on Motion of the Commission Regarding Provider of Last Resort Responsibilities, the Role of Utilities in Competitive Markets and Fostering the Development of Retail Competitive

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any additional unbundling of gas bills pursuant to the Commission's *Order Directing Submission of Unbundled Bill Formats*,<sup>2</sup> should be undertaken following the same schedule as the electric bill unbundling. The schedule for further unbundling of the electric bills was subsequently approved in the NYSEG Order.<sup>3</sup> In compliance with the NYSEG Order, NYSEG is today filing under separate cover further unbundled electric rates to become effective on January 1, 2007.

In the Untitled Order<sup>4</sup> approving NYSEG's proposed billing system revisions, the Commission referenced NYSEG's March 21, 2005 Letter Petition for Clarification but did not specifically respond to NYSEG's proposed timetable for further gas unbundling. However, because the Commission did not reject the Company's proposed gas implementation timeline, NYSEG continues to recommend that unbundling of the gas Bill Issuance Charge would be concurrent with the effective date for unbundling of the electric Bill Issuance Charge. Therefore, the enclosed tariff leaves, filed to unbundle the gas Bill Issuance Charge, reflect an effective date of January 1, 2007, consistent with the Company's electric unbundled tariffs.

The Bill Issuance Charge has been separately stated on the gas tariff leaves within each of the gas service classifications. The Company is not proposing any change in the level of the rate for the gas Bill Issuance and Payment Processing service because the Company continues to operate under the terms of its currently effective Gas Rate Plan pursuant to the Commission's Order Establishing Rates in Case No. 01-G-1668, issued and effective November 20, 2002. To maintain revenue neutrality for customers and the Company, the customer charge within each service classification has been reduced by a corresponding amount.

#### Newspaper Publication & SAPA

In accordance with the requirement of Section 66(12)(b) of the Public Service Law and 16 NYCRR §720-8.1 as to newspaper publication, NYSEG respectfully requests waiver of any additional newspaper publication because the substance of today's filed changes was included in the Newspaper Publication of NYSEG's July 20, 2005 tariff filing. NYSEG filed proof of publication of the July 20, 2005 tariff filing by letter dated October 7, 2005.

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Opportunities – Unbundling Track (the "Unbundling Proceeding").

<sup>2</sup> The Unbundling Proceeding, *Order Directing Submission of Unbundled Bill Formats*, issued February 18, 2005.

<sup>3</sup> Case 05-E-1222, Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of New York State Electric & Gas Corporation for Electric Service, *Order Adopting Recommended Decision with Modifications*, issued August 23, 2006 (the "NYSEG Order").

<sup>4</sup> Cases 05-E-0876 *et al.*, Tariff Filings by New York State Electric & Gas Corporation, *Untitled Order* (issued December 23, 2005).

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Similarly, a State Administrative Procedure Act Notice is not enclosed because the substance of today's filing was included in the SAPA issued in association with the July 20, 2005 filing.

However, if the Commission decides this filing should be SAPA'd, NYSEG respectfully requests that the Commission approve this filing as an emergency measure pursuant to Section 202(6) of the State Administrative Procedure Act (SAPA), since customers would be confused by the unbundling of the electric Bill Issuance Charge without concurrent unbundling of the gas Bill Issuance Charge.

Company Contact

Please direct any questions pertaining to this filing to Susan Glann at (607) 762-7265 or to me at (607) 762-7341.

Very truly yours,

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

Enclosures

Attachment A

**New York Electric & Gas Corporation  
Tariff Filing for Proposed Billing Issuance Filing  
List of Proposed Tariff Leaves**

PSC No. 87 – Gas

Leaf No. 12, Revision 9  
Leaf No. 12.1, Revision 2  
Leaf No. 13, Revision 10  
Leaf No. 15, Revision 6  
Leaf No. 15.1, Revision 1  
Leaf No. 16, Revision 6  
Leaf No. 34, Revision 6  
Leaf No. 43, Revision 6  
Leaf No. 47, Revision 5  
Leaf No. 52, Revision 4  
Leaf No. 55, Revision 2

PSC No. 88 – Gas

Leaf No. 50.26, Revision 6  
Leaf No. 51, Revision 8  
Leaf No. 52, Revision 7  
Leaf No. 52.1, Revision 2  
Leaf No. 52.2, Revision 2  
Leaf No. 53, Revision 8  
Leaf No. 58, Revision 4  
Leaf No. 68, Revision 8  
Leaf No. 68.1, Revision 2  
Leaf No. 68.2, Revision 2  
Leaf No. 69, Revision 10  
Leaf No. 69.1, Revision 6  
Leaf No. 73, Revision 2  
Leaf No. 96, Revision 7  
Leaf No. 96.1, Revision 5  
Leaf No. 97, Revision 7  
Leaf No. 98, Revision 10  
Leaf No. 101, Revision 9  
Leaf No. 102, Revision 8  
Leaf No. 102.1, Revision 7  
Leaf No. 103, Revision 8  
Leaf No. 104, Revision 8  
Leaf No. 126, Revision 1