

August 31, 2006

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 03-E-0188 – Order Regarding Retail Renewable Portfolio Standard  
Annual Compliance Filing

Dear Secretary Brillling:

New York State Electric & Gas Corporation ("NYSEG") hereby submits for filing the following enclosed tariff leaves in compliance with the New York Public Service Commission's ("Commission's") Order Regarding Retail Renewable Portfolio Standard ("RPS"), in Case 03-E-0188, issued and effective September 24, 2004 (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).

PSC No. 120 – Electricity, Schedule for Electric Service

Leaf No. 123, Revision 10  
Leaf No. 133, Revision 12  
Leaf No. 160, Revision 12  
Leaf No. 197, Revision 10  
Leaf No. 208, Revision 11  
Leaf No. 221, Revision 11  
Leaf No. 261, Revision 10  
Leaf No. 272, Revision 12  
Leaf No. 289, Revision 19  
Leaf No. 300, Revision 10  
Leaf No. 310, Revision 11  
Leaf No. 318, Revision 12

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

Leaf No. 24, Revision 9  
Leaf No. 37, Revision 9  
Leaf No. 59, Revision 9

Effective: October 1, 2006

Honorable Jaclyn A. Brillling

Page 2

August 31, 2006

The Order established the 2007 RPS annual collection level for NYSEG at \$5,422,156. The level of funding is to be collected in rates over a twelve month period commencing three months prior to the applicable calendar year. Ordering Clause 4 also provides that “[a]ny over- or under-collections shall be trued up on an annual basis.”

NYSEG began the reconciliation by verifying the amount of revenues the Company collected from October 1, 2005 through July 31, 2006. Subsequently, the Company estimated the amount of revenues the Company will collect from customers for the months of August and September 2006, the remaining months of the twelve month collection period. The Company has projected that it will under-collect \$117,877 for the period October 1, 2005 through September 30, 2006.

To calculate the 2007 RPS rate, the projected \$117,877 under-collection was added to the 2007 annual RPS target collection amount of \$5,422,156, resulting in a 2007 collection requirement of \$5,540,033. That amount was then divided by the kWh sales forecast for 2007, resulting in a RPS surcharge of \$0.0004 per kWh to become effective October 1, 2006. This surcharge amount is reflected in the attached proposed tariff leaves.

An analysis of actual surcharge amounts over- or under-collected in 2006 will be completed and the results of that calculation will be included in the surcharge calculation for 2008. This approach will continue to provide the customer with an RPS surcharge that does not change during the twelve month period.

Per Ordering Clause 7 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.

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

Enclosures