

May 10, 2006

VIA ELECTRONIC FILING

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

RE: Tax Surcharge Percentages

Dear Secretary Brillling:

The enclosed revised Statements, issued by New York State Electric & Gas Corporation ("NYSEG" or the "Company"), are transmitted for filing in compliance with the requirements of the Public Service Commission ("Commission"), State of New York.

TSP Statement No. 4 to PSC No. 87 – Gas  
TSP Statement No. 4 to PSC No. 88 – Gas

Effective June 1, 2006

The above Tax Surcharge Percentage ("TSP") statements are being filed pursuant to General Information Section 3 of PSC Nos. 87 and 88 entitled "Increase in Prices and Charges Applicable Where Service is Supplied".

The statements are filed to correct an error on the currently effective TSP Statements. Specifically, the Retail Access Residential Delivery percentage for Putnam County is understated because State Gross Income Tax was inadvertently not factored into the calculation of the total tax rate. The corrected tax surcharge percentage reflects both the state Gross Income Tax and the Metropolitan Transportation Business Tax Surcharge applicable to residential retail access delivery charges.

Currently, NYSEG has no residential natural gas customers within Putnam County taking retail access (transportation) service, therefore the change has no customer or revenue impact.

Questions regarding this filing should be directed to Susan Glann at (607) 762-7265.

Very truly yours,

Christine M. Stratakos  
Manager – Pricing & Analysis

Enclosures