

July 31, 2007

VIA ELECTRONIC FILING

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

Re: Case No. 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:  
Compliance Filing on New York Power Authority ("NYPA") Issues

Dear Secretary Brillling:

The enclosed tariff leaves, issued by New York State Electric & Gas Corporation ("NYSEG" or the "Company"), are filed in compliance with the New York State Public Service Commission's ("Commission") Order Adopting Joint Proposal on New York Power Authority Issues, issued and effective July 20, 2007, in Case 05-E-1222 (the "Order"). These tariff leaves are transmitted for filing in compliance as identified herein and in accordance with the requirements of Appendix 7-H (electronic tariff filing system) to the Commission's Codes, Rules and Regulations (16 NYCRR Appendix 7-H). The leaves are to become effective on August 1, 2007.

PSC No. 120 – Electricity, Schedule for Electric Service  
Leaf No. 26, Revision 5  
Leaf No. 28, Revision 7

Purpose of the Filing

In compliance with the Order, the Company is filing tariff revisions to exempt new allocations of NYPA power, up to a total of 100 MW, from NYSEG's transition charge. NYSEG will collect transition charge costs from its remaining customers that continue to be subject to the transition charge.

As provided in the Order, new allocations are defined as "all allocations of NYPA Power made to customers in NYSEG's service territory for whom deliveries commenced on or after June 1, 2006 and does not include allocations made under NYSEG's Federal Energy Regulatory Commission (FERC) Rate Schedules Nos. 110 or 179." Order, at 2.

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Newspaper Publication

In accordance with Ordering Clause 3 of the Order, the requirement of Section 66(12) (b) of the Public Service Law that requires newspaper publication be completed is waived.

Company Contacts

If there are any questions concerning this filing, please call 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