

December 17, 2003

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

RE: Compliance Filing – Energy tax Reform Act of 2000;  
Case 00-M-1556 – In the Matter of the Proposed Accounting and Ratemaking for  
the Tax Law Changes Included in the 2000-2001 New York State Budget

Dear Acting Secretary Brilling:

The enclosed revised Tax Surcharge Factor Statements, issued by New York State Electric & Gas Corporation are transmitted for filing in compliance with the requirements of the New York State Public Service Commission.

|                      |                     |
|----------------------|---------------------|
| TSF Statement No. 11 | to PSC No. 87 – Gas |
| TSF Statement No. 11 | to PSC No. 88 - Gas |

Effective January 1, 2004

The Tax Surcharge Factors have been revised to reflect New York State gross income tax rates effective January 1, 2004. These Tax Surcharge Factors are being filed in compliance with the provisions of the Commission's Order Implementing Tax Law Changes on a Permanent Basis, issued and effective June 28, 2001, in Case No. 00-M-1556.

Please direct any questions pertaining to this filing to Susan Gallia at (607) 762-7265.

Very truly yours,

Christine M. Stratakos  
Manager – Pricing & Analysis

Enclosures