

February 2, 2004

VIA ELECTRONIC FILING

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

Re: NYSEG's Filing in Compliance With The Commission's
Order on Petitions for Rehearing and Clarification, Issued
December 5, 2003, in Cases 98-M-1343, 99-M-0631, 03-M-0117

Dear Secretary Brillling:

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

PSC No. 120 – Electricity, Schedule for Electric Service
Leaf No. 109, Revision 1

Effective February 3, 2004.

The above tariff leaf is being filed pursuant to the Commission's Order on Petitions for Rehearing and Clarification, issued December 5, 2003, in Cases 98-M-1343, 99-M-0631, 03-M-0117 (the "December 5th Order"), and Order Granting Extensions and Denying Petitions in Part, also Cases 98-M-1343, 99-M-0631, 03-M-0117 (the "Extension Order") issued December 19, 2003.

In compliance with Ordering Clause 1 of the December 5th Order, and Ordering Clause 1 of the Extension Order, NYSEG has modified its PSC No. 120 (Electricity) tariff provisions to reflect implementation of pro-ration of payments on consolidated bills produced by NYSEG.

The December 5th Order stems from the Commission's implementation of Chapter 686 of the Laws of 2002. In accordance with its currently effective Electric Rate Plan,¹ NYSEG

¹ Cases 01-E-0359 et al., Petition of New York State Electric & Gas Corporation for Approval of its Electric Price Protection Plan, "Joint Proposal" (filed January 15, 2002), as adopted in Order Adopting Provisions of Joint Proposal with Modifications (issued February 27, 2002).

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will defer for future recovery any net lost revenues and incremental costs associated with the implementation of Chapter 686.

Also in accordance with Ordering Clause 1, a copy of NYSEG's revised operating procedures necessary to implement the Commission's December 5th Order are enclosed.

Ordering Clause 4 of the December 5th Order waived the requirement of Section 66(12)(b) of the Public Service Law calling for newspaper publication of the proposed tariff amendments.

Finally, in accordance with Ordering Clause 1 of the Commission's Extension Order, NYSEG is serving a copy of today's filing on all parties. Should you have any questions concerning this filing, please call Anne Reichert at (607) 762-7742.

Very truly yours,

Christine M. Stratakos
Manager – Pricing & Analysis

Encs.

cc: All active parties