



June 16, 2011

VIA ELECTRONIC MAIL

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

Re: Case No. 09-M-0311 – Implementation of Chapter 59 of the Laws of 2009 Establishing a
Temporary Annual Assessment Pursuant to Public Service Law §18-a(6) – Annual
Compliance Filing

Dear Secretary Brillling:

New York State Electric & Gas Corporation ("NYSEG" or the "Company") hereby submits for filing the enclosed statement, listed below, to become effective July 1, 2011, in compliance with Ordering Paragraph 1 of the New York Public Service Commission's (the "Commission") Order Implementing Temporary State Assessment in the above-referenced proceeding, issued and effective June 19, 2009 (the "Order") and Appendix 7-H (electronic tariff filing system) to the Commission's Codes, Rules and Regulations (16 NYCRR Appendix 7-H).

PSC No. 120 – Electric, Schedule for Electric Service – TSAS No. 4

PSC No. 121 – Electric, Schedule for Electric Service – TSAS No. 4

Overview of the Filing

Today's filing sets forth updated Temporary State Assessment Surcharges in compliance with the Order.

For electric and gas service, NYSEG allocated the Temporary State Assessment Surcharge amounts to the respective service classes based on the Company's 2010 delivery and supply revenues and the estimated 2010 ESCO supply revenues. Electric and gas surcharge rates were then derived based on the resulting allocated Temporary State Assessment amount for each service class. The Order provides that "To the extent the amount of the Temporary State Assessment decreases in any year due to a fluctuation in annual intrastate gross operating

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revenues, we authorize the companies to maintain the prior year's surcharge in order to improve their cash flow position without increasing customers' bills."¹

For electric service, the total assessment requirements for the fiscal year ending June 2012 compared to the forecasted revenue that would be collected at current surcharge rates indicates a surplus. The Company is therefore filing for a reduction in the surcharge rates for all service classes except Service Classification No. 9.

For gas service, based on the Company's calculations and in accordance with the Order, the surcharges for all service classifications remain unchanged.

Newspaper Publication

In accordance with Ordering Paragraph 3, the requirement of § 66(12)(b) of the Public Service Law regarding newspaper publication is waived.

Company Contacts

Please direct any questions pertaining to this filing to Kathy Grande at (585) 771-4514 or to me at (607) 762-8710.

Very truly yours,



Lori A. Cole
Manager, Regulatory & Tariffs
Rates and Regulatory Economics Department

Enclosures

¹ Order, at page 32.