

October 8, 2009

VIA ELECTRONIC FILING

Honorable Jaclyn A. Brilling, Secretary
New York State 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)

Dear Secretary Brilling:

New York State Electric & Gas Corporation ("NYSEG" or the "Company") hereby submits for filing the revised tariff leaves, enclosed as Attachment A, and the Temporary State Assessment Statements (TSAS), listed below, to become effective January 1, 2010, in further 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. 87 - Gas, Schedule for Gas Service – TSAS No. 3

PSC No. 88 – Gas, Schedule for Gas Service, Transportation – TSAS No. 3

PSC No. 120 - Electricity, Schedule for Electric Service - TSAS No. 3

PSC No. 121 - Electricity, Schedule for Electric Service, Street Lighting - TSAS No. 3

Overview of the Filing

On June 30, 2009, the Company submitted tariff revisions and statements in compliance with the Order.

In the Order, the Commission provided its preference for a separately stated surcharge for collection of the Temporary State Assessment Surcharge amounts. However, the Commission also recognized that establishing a separate line item surcharge may require time. To expedite recovery, the Commission authorized recovery through a delivery rate adjustment if sufficient impediments would cause a delay in establishing a line item surcharge or impose significant costs that should be avoided

To comply with the Order, NYSEG established delivery rate adjustments, which were presented in the TSAS that were added to its electric delivery rates and gas delivery rates beginning July 1, 2009.

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As set forth in the Company's June 30, 2009 compliance filing, the Company will be separating the TSAS from the electric delivery rates and gas delivery rates and displaying line item surcharges on the customer's bill, effective January 1, 2010, which will coincide with other electric supply rate changes occurring at that time.

After discussions with Staff, today's filing also sets forth updated Temporary State Assessment Surcharges in further compliance with the Order. For both electric and gas service, NYSEG has allocated the Temporary State Assessment Surcharge amounts to the respective service classes based on the Company's 2008 delivery and supply revenues and the estimated 2008 ESCO supply revenues. Electric and gas surcharge rates were then derived based on the resulting allocated Temporary State Assessment amount for each service class. For electric, the resulting surcharge rates are a cent/kWh charge, with the exception of Service Classification No. 11. For customers taking service under Service Classification No. 11, the TSAS will be applied to the Contract Demand charge¹. For gas, the resulting surcharge rate is a cent/therm charge. The resulting surcharge rates are presented in the TSAS.

For customers that have received a NYPA allocation or an economic incentive, the customer's otherwise applicable standard service classification will determine the applicable TSAS.

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 Lori Cole at (607) 762-8710 or me at (607) 762-7341.

Very truly yours,

Christine M. Stratakos
Manager, Pricing and Analysis
Rates and Regulatory Economics Department

Enclosures

¹ For customers taking service under Special Provision (d) of Service Classification No. 11, the customer's otherwise applicable standard service classification will determine the applicable TSAS.

New York State Electric & Gas Corporation
October 8, 2009
List of Proposed Tariff Leaves

PSC No. 120 – Electricity, Schedule for Electric Service

Leaf No. 117.34, Revision 1
Leaf No. 123, Revision 19
Leaf No. 133, Revision 20
Leaf No. 161, Revision 10
Leaf No. 197, Revision 18
Leaf No. 208, Revision 20
Leaf No. 221, Revision 20
Leaf No. 261, Revision 19
Leaf No. 272, Revision 21
Leaf No. 289, Revision 34
Leaf No. 300, Revision 19
TSAS Statement No. 03 to PSC 120 - Electricity

PSC No. 121 – Electricity, Schedule for Electric Service

Leaf No. 14.1, Revision 2
Leaf No. 24, Revision 16
Leaf No. 37, Revision 17
Leaf No. 59, Revision 16
TSAS Statement No. 03 to PSC 121 – Electricity

PSC No. 87 – Gas, Schedule for Gas Service

Leaf No. 13.1, Revision 10
Leaf No. 17, Revision 15
Leaf No. 34.1, Revision 11
Leaf No. 44, Revision 12
Leaf No. 48, Revision 13
Leaf No. 53, Revision 10
Leaf No. 56, Revision 7
TSAS Statement No. 03 to PSC 87 - Gas

PSC No. 88 – Gas, Schedule for Gas Service Transportation

Leaf No. 53.1, Revision 13
Leaf No. 69.1.1, Revision 4
Leaf No. 98.1, Revision 14
Leaf No. 105, Revision 19

Leaf No. 113.1, Revision 8
Leaf No. 127, Revision 8
TSAS Statement No. 03 to PSC 88 - Gas

PSC No. 90 – Gas, Schedule for Gas Service Transportation

Leaf No. 105.1, Revision 1