



January 9, 2014

**VIA ELECTRONIC FILING**

Honorable Kathleen H. Burgess, Secretary  
New York State Public Service Commission  
Three Empire State Plaza  
Albany, NY 12223-1350

Re: New Capacity Zones

Dear Secretary Burgess:

New York State Electric & Gas Corporation (the “Company”) hereby transmits for filing the enclosed tariff leaves to become effective May 1, 2014 in compliance with the requirements of the New York State Public Service Commission (the “NYPSC”), and Appendix 7-H (electronic tariff filing system) to the Commission’s Codes, Rules and Regulations (16 NYCRR Appendix 7-H).

NYSEG – PSC No. 120  
Leaf 117.9, Revision 12  
Leaf 117.10, Revision 6

Purpose of the Filing

The Company is filing amendments to clarify that the price used to calculate the capacity component is based upon the capacity zone in which the customer is located.

Overview

On April 30, 2013, the New York Independent System Operator, Inc. (“NYISO”) filed proposed revisions to establish a new capacity zone to maintain system reliability. On August 13, 2013, the Federal Energy Regulatory Commission (“FERC”) issued an Order Accepting Proposed Tariff Revisions and Establishing a Technical Conference (144 FERC ¶ 61,126). However, in a subsequent filing, the NYPSC and the New York Power Authority have requested the FERC to reconsider its decision.



Honorable Kathleen H. Burgess, Secretary  
January 9, 2014

Page 2

The establishment of the new capacity zone will affect a part of the Company's service territory. Therefore, in anticipation of the NYISO's new capacity zone coming into effect, the Company is proposing to add language to its electric tariff schedule to be able to recognize the new zone. The proposed language has been written in general terms lest the FERC should reverse its decision.

Newspaper Publication

The Company respectfully requests the requirement of 66(12)(b) of the Public Service Law and 16 NYCRR Section 720-8.1 as to newspaper publication be waived as these revisions simply provide additional detail on how the capacity component is calculated and may only affect a portion of the Company's customers.

If you have any questions related to this filing, please contact Brian McNierney at 607.762.8936 or me at 607.762.8710.

Respectfully submitted,



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Rates and Regulatory Economics Dept.

Enclosures