

..DID: 21179

..TXT:

December 19, 2002

Honorable Janet H. Deixler
Secretary
State of New York
Public Service Commission
3 Empire State Plaza
Albany, New York 12223

Re: Compliance Filing -- Energy Tax Reform Act of 2000; New York State Electric & Gas Corporation's Gas Joint Proposal
Case No. 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;
Case No. 01-G-1668 - Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of New York State Electric & Gas Corporation for Gas Service

Dear Secretary Deixler:

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

Statement No. TSF 7 to PSC No. 87 Gas
and
Statement No. TSF 7 to PSC No. 88 Gas

Effective January 1, 2003.

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, and pursuant to the Commission's Order Establishing Rates dated November 20, 2002, Case No. 01-G-1668, the Company has calculated revised blended tax surcharge factors to reflect the 2003 Gross Income Tax Rates.

Questions regarding this filing should be directed to Susan Gallia at (607) 762-7265.

Very truly yours

/dlm
Encls.
Cy.:Alan F. Mostek, PSC

Christine M. Stratakos
Manager - Rates & Tariffs