

December 23, 2008

VIA ELECTRONIC FILING

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

Re: Case 07-M-0548 – Order Establishing Energy Efficiency Portfolio Standard
and Approving Programs - Compliance Filing

Dear Secretary Brilling:

New York State Electric & Gas Corporation (“NYSEG” or the “Company”) hereby submits for filing the following enclosed Statements in compliance with the New York Public Service Commission’s (“PSC” or “Commission’s”) Order Establishing Energy Efficiency Portfolio Standard and Approving Programs, in Case 07-M-0548, issued and effective June 23, 2008 (the “Order”). The Company hereby files notice to the PSC that the annual calculation of the gas System Benefits Charge (“SBC”) to be effective on January 1, 2009 has been completed.

The Order provides for the continuance of the SBC through December 31, 2011. The Order establishes the annual gas SBC collection level for NYSEG at \$1,043,319 through December 31, 2011. In accordance with Ordering Clause 4 of the Order, each utility shall establish its specific SBC collection rate on an annual basis to correspond to its collection allocation and year-by-year projections of the following year’s gas sales, with any over- or under-collections reconciled on an annual basis.

NYSEG has performed the calculation for determining the rate to be effective on January 1, 2009. The Company started with the collection level established by the Order and adjusted that amount by the projected over-collection for 2008. This resulted in an updated collection amount of \$1,009,943 for 2009.

That amount was then divided by the dth sales forecast subject to the SBC for the calendar year 2009, resulting in a SBC surcharge of \$0.0043 per th.

In accordance with Ordering Clause 5 of the Order, NYSEG will complete an annual reconciliation of any over- or under-collections by June 1, 2009 and submit it to the Commission.

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Please direct any questions pertaining to this filing to John McGuire at
(607) 762-7742.

Very truly yours,

Mark O. Marini
Manager, Regulatory and Tariffs
Rates & Regulatory Economics

Enclosures