

June 25, 2008

VIA ELECTRONIC FILING

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

Re: Case No. 07-E-0479 – Filing of New York State Electric & Gas
Corporation Transition Charge Statement

Dear Secretary Brillling:

The enclosed Transition Charge Statement, issued by New York State Electric & Gas Corporation (“NYSEG” or “the Company”), is filed in accordance with the New York State Public Service Commission’s (“Commission”) Order Establishing Commodity Program, issued and effective August 29, 2007, in Case 07-E-10479 (“the August 2007 Order”). The Transition Charge Statement becomes effective on July 1, 2008.

PSC No. 120 – Electricity, Schedule for Electric Service

TSC Statement No. 54 to PSC No. 120 Electric Service

TSC Statement No. 54 to PSC No. 121 Electric Service

Purpose of the Filing

The purpose of this filing is to set forth proposed revisions to the Fixed Transition Charge applicable to NYSEG’s residential service classifications to reflect a continuation of the NYPA Hydrocredit benefit.

Overview of the Filing

The fixed transition rates for residential customers became effective on January 1, 2008 and reflected the June 30, 2008 expiration of the Company’s hydropower contracts with New York Power Authority (“NYPA”). As provided in the November 2007 compliance filing implementing rates effective January 1, 2008, the residential transition charge would be adjusted to reflect the increased value associated with any continuation of deliveries of NYPA hydropower beyond June 30, 2008.

NYPA and the Company recently agreed to an extension of hydropower deliveries through December 2009, necessitating this filing. The revised residential

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transition rate, which will be based on the forward market prices for the balance of the year and will be lower than the currently effective transition rates, will be effective with bills issued after July 1, 2008. Because the contract is subject to cancellation upon 30 days notice by NYPA, the Company reserves the right to make a further update to the rates if the contracts are changed.

Newspaper Publication

The Company requests that the requirement of § 66(12)(b) of the Public Service Law and 16 NYCRR §720-8.1 as to newspaper publication be waived because customers will be directly notified of the changes through bill print messages and Energy Services Companies will be directly notified via email.

Company Contacts

NYSEG is serving a copy of this filing to parties electronically. If any party desires a hard copy of this filing, or has any questions concerning this filing, please call Lori Cole at (607) 762-8710 or me at (607) 762-7341.

Very truly yours,

Christine M. Stratakos
Manager – Pricing & Analysis
Rates & Regulatory Economics

Enclosures

cc: All Active Parties (Via Electronic Mail)