

September 14, 2007

VIA ELECTRONIC FILING

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

Re: Case 03-E-0188 – Order Regarding Retail Renewable Portfolio Standard
Annual Compliance Filing

Dear Secretary Brillling:

New York State Electric & Gas Corporation ("NYSEG") hereby submits for filing the following enclosed tariff leaves in compliance with the New York Public Service Commission's ("Commission's") Order Regarding Retail Renewable Portfolio Standard ("RPS"), in Case 03-E-0188, issued and effective September 24, 2004 (the "Order"). This filing is also made in accordance with Appendix 7-H (electronic tariff filing system) to the Commission's Codes, Rules and Regulations (16 NYCRR Appendix 7-H).

PSC No. 120 – Electricity, Schedule for Electric Service

Leaf No. 123, Revision 13
Leaf No. 133, Revision 15
Leaf No. 161, Revision 5
Leaf No. 197, Revision 12
Leaf No. 208, Revision 14
Leaf No. 221, Revision 15
Leaf No. 261, Revision 13
Leaf No. 272, Revision 15
Leaf No. 289, Revision 25
Leaf No. 300, Revision 13
Leaf No. 310, Revision 13
Leaf No. 318, Revision 14

PSC No. 121 – Electricity, Schedule for Electric Street Lighting Service

Leaf No. 24, Revision 10
Leaf No. 37, Revision 11
Leaf No. 59, Revision 10

Effective: October 1, 2007

The Order established the 2008 RPS annual collection level for NYSEG at \$7,774,090. The level of funding is to be collected in rates over a twelve month period

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commencing three months prior to the applicable calendar year. Ordering Clause 4 also provides that “[a]ny over- or under-collections shall be trued up on an annual basis.”

NYSEG began the reconciliation by verifying the amount of revenues the Company collected from October 1, 2005 through July 31, 2007. Subsequently, the Company estimated the amount of revenues the Company will collect from customers for the months of August and September 2007, the remaining months of the twelve month collection period. The Company has projected that it will over-collect \$274,809 for the period October 1, 2006 through September 30, 2007.

To calculate the 2008 RPS rate, the projected over-collection of \$274,809 was subtracted from the 2008 annual RPS target collection amount of \$7,774,090, resulting in a 2008 collection requirement of \$7,499,281¹. That amount was then divided by the kWh sales forecast for 2008, resulting in a RPS surcharge of \$0.0005 per kWh to become effective October 1, 2007. This surcharge amount is reflected in the attached proposed tariff leaves.

An analysis of actual surcharge amounts over- or under-collected in 2007 will be completed and the results of that calculation will be included in the surcharge calculation for 2009. This approach will continue to provide the customer with an RPS surcharge that does not change during the twelve month period.

Per Ordering Clause 7 of the Order, the requirements of Section 66(12) (b) of the Public Service Law as to newspaper publication of the changes proposed by this filing is waived.

Please direct any questions pertaining to this filing to Lori Cole at (607) 762-8710 or to me at (607) 762-7341.

Very truly yours,

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

Enclosures

¹ The annual target collection amount for NYSEG increases each year as set forth in Appendix E to the Order.