

November 1, 2007

VIA ELECTRONIC FILING

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

Re: **Case No. 05-M-0453 – In the Matter of New York State Electric & Gas Corporation’s Plan to Foster the Development of Retail Energy Markets;**

Case No. 07-E-0479 – Tariff Filing of New York State Electric & Gas Corporation to Offer Customers a Single Fixed Supply Service

Dear Secretary Brillling:

New York State Electric & Gas Corporation (“NYSEG” or “the Company”) is hereby filing the following Purchase of ESCO Accounts Receivable (POR) Discount statement to become effective January 1, 2008, in accordance with the Joint Proposal on Purchase of Accounts Receivable dated October 28, 2005 in the above referenced proceeding:

PSC No. 88 –Gas, Schedule for Gas Service. DISC Statement No. 3

In accordance with Section II.C.15 of the Supply Service Joint Proposal dated July 10, 2007, NYSEG’s electric POR discount remains at the current rate of 1.15% for the term of this agreement. Consequently, the DISC tariff statement filed under PSC Nos. 120 and 121, with the initial effective date of January 1, 2007 (Statement No. 2), remain in effect.

Please direct any questions pertaining to this filing to Dave George at (585) 771-4765.

Very truly yours,

Mark O. Marini
Manager, Regulatory and Tariff
Rates & regulatory Economics

Enclosures