

August 3, 2007

VIA ELECTRONIC FILING

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

Re: Proposal to Establish an Incremental Gas Supply Charge Applicable to Daily
Metered Transportation Customers Requesting Sales Service

Dear Secretary Brillling:

The enclosed tariff leaves, issued by New York State Electric & Gas Corporation ("NYSEG" or "the Company"), are filed in compliance with the requirements of Appendix 7-H (electronic tariff filing system) to the New York State Public Service Commission's ("Commission") Codes, Rules and Regulations (16 NYCRR Appendix 7-H). The leaves are proposed to become effective on November 1, 2007.

PSC No. 87 – Gas, Schedule for Gas Service

Leaf No. 17, Revision 10
Leaf No. 48, Revision 8
Leaf No. 53, Revision 5

PSC No. 90 – Gas, Schedule for Gas Service

Leaf No. 3.1, Revision 5
Leaf No. 72, Revision 1
Leaf No. 73, Revision 1
Leaf No. 90.10, Revision 2
Leaf No. 91, Revision 6
Leaf No. 92, Revision 3

Purpose and Overview of the Filing

The Company is filing revisions to its tariffs to provide the Company with a mechanism to provide supply service to daily metered gas transportation customers that are no longer served by their Energy Service Company (ESCO), or are without supply for some other reason, without jeopardizing service to the Company's existing firm gas sales customers.

The tariff revisions that NYSEG proposes herein will establish an Incremental Gas Supply Charge ("IGSC") to be applicable to such customers. An IGSC is necessary for the Company to establish a just and reasonable price, and protect its current sales customers from adverse financial effects or a reduction in service reliability in the event a

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daily metered gas transportation customer returns to sales service. Should NYSEG be unable to obtain capacity and gas supply to provide service for these customers, such customers will be placed on the curtailment list after dual-fuel customers. The IGSC will not be applicable to transportation customers that are paying to reserve their "Sales Customer" status as provided in NYSEG's PSC No. 88 tariffs.

The IGSC fairly assigns any increase in capacity and gas supply costs to those customers for whom the Company has had to obtain capacity and gas supply as a result of their return to sales service. The IGSC is established as the higher of: a) the Gas Supply Charge plus any incremental costs incurred by the Company to serve a returning customer; or b) the Gas Supply Charge plus a percentage that is dependant on the calendar month. The IGSC encourages customers to stay on or return to transportation service.

The IGSC will be reconciled annually and included in the annual reconciliation of gas costs. Any revenues remaining after expenses for customers subject to the IGSC will be refunded to customers subject to the Gas Supply Charge.

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 a customer will be notified of these tariff changes when the customer requests to return to sales service with the Company.

A State Administrative Procedures Act Notice is enclosed for publication in the State Bulletin.

Company Contacts

Please direct any questions pertaining to this filing to Lori Cole at (607) 762-8710 or to Linda Dent at (585) 771-4701.

Very truly yours,

Christine M. Stratakos
Manager, Pricing & Analysis