

June 13, 2005

VIA ELECTRONIC FILING

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

Re: New York State Legislature Bill A4245A and S4890E
Amendment to PSL § 66-1; Net Metering for Wind Electric
Generating Systems
Tariff Filing by New York State Electric & Gas Corporation

Dear Secretary Brillling:

The New York State Legislature enacted Bills A4245A and S4890E that the Governor of the State of New York signed into law on September 14, 2004. This new law, which is incorporated into the consolidated laws of New York as an amendment to New York State Public Service Law Section 66-1, provides for the net energy metering of qualifying Residential and Farm wind electric generating equipment ("Wind Facility"). Subsection 3 of the new law provides that "each electric corporation shall develop a model contract and file a schedule that establishes consistent and reasonable rates, terms and conditions for net energy metering to customer-generators," on or before three months after the effective date of the new law. New York State Electric & Gas Corporation ("NYSEG" or the "Company") hereby submits this tariff filing in compliance with the new law.

The enclosed original and revised tariff leaves are submitted in compliance with the Public Service Commission's ("PSC" or "Commission") Appendix 7-H (electronic tariff filing system) to the Commission's Codes, Rules and Regulations (16 NYCRR Appendix 7-H).

PSC No. 119 – Electricity, Schedule for Electric Service
SIR Addendum, Revision 2

PSC No. 120 – Electricity, Schedule for Electric Service
Leaf No. 2.1, Original
Leaf No. 117.1, Original
Leaf No. 117.2, Original
Leaf No. 117.3, Original
Leaf No. 127, Revision 3
Leaf No. 153, Revision 1
Leaf No. 153.1, Original

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Leaf No. 181, Revision 1
Leaf No. 181.1, Original
Leaf No. 210, Revision 2
Leaf No. 255, Revision 1
Leaf No. 266, Revision 2
Leaf No. 266.1, Original
Leaf No. 274.1, Revision 1
Leaf No. 304.1, Original

Effective: September 30, 2005

Description of the Proposed Revisions

The attached tariff leaves introduce a net energy metering Wind Electric Generating System Option ("Wind Option") for eligible customers, on a first come, first served basis, until the total rated generating capacity for wind electric generating equipment in NYSEG's service area is equivalent to 5,317 kW.

Metering options that are currently available to customers taking service pursuant to the Farm Waste Option will be available to customers electing service pursuant to the Wind Option. For eligible customers with wind electric generating equipment of not more than ten kilowatts, for each on-peak or off-peak period, any excess customer generation will be carried forward as a kWh credit for the next bill. For eligible customers with wind electric generating equipment of more than ten kilowatts, the Company shall provide the customer a credit equal to the product of any excess monthly generation, for each on-peak or off-peak period, multiplied by the Company's avoided cost for energy. On an annual basis, during the term of the Standardized Interconnection Requirements ("SIR") Contract or on the date the SIR Contract is terminated pursuant to the terms and conditions, the Company will issue the customer a cash payment for any remaining excess generation at the Company's avoided cost for energy over the period.

Customers electing service under the Wind Option are required to comply with the standards and requirements set forth in the Company's tariff, PSC 119 – Electricity, Section 9 and Addendum-SIR to PSC 119. A revised SIR Addendum is also filed with the tariffs listed above. NYSEG participated in conferences with other New York State utilities to develop this revised SIR Addendum in order to comply with the statute.

Although, tariff revisions have been made in accordance with Public Service Law, Section 66-1, regarding wind generating systems and net energy metering, no tariff revisions have been made to address hybrid systems (defined as more than one type of generating system. Examples are combinations of wind, photovoltaic, and farm waste generation). Instead, the Company recommends, as discussed with PSC Staff, that

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technical conferences be convened over the summer of 2005 in order to address and resolve hybrid system issues prior September 30, 2005, the effective date of the proposed tariff provisions.

Incremental Costs

NYSEG will track the incremental costs of implementing the Wind Option, and will defer these costs as Category 2 Uncontrollable Costs, for future recovery, in accordance with NYSEG's Electric Rate Plan.

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 a customer will be notified of these tariff changes when the customer submits an application for such service with the Company.

Company Contacts

Please direct any questions pertaining to this filing to Lori Cole at (607) 762-8710 or to Carl King at (607) 347-2959.

Very truly yours,

Christine M. Stratakos
Manager, Pricing & Analysis

Enclosures