

April 28, 2003

Honorable Janet H. Deixler, Secretary
New York State
Public Service Commission
3 Empire State Plaza
Albany, NY 12223-1350

Dear Secretary Deixler:

The enclosed revised leaves, issued by New York State Electric & Gas Corporation ("NYSEG" or "the Company") are transmitted for filing in compliance with the requirements of the New York State Public Service Commission ("PSC" or "Commission").

Tariff Amendments

Tenth	Revised Leaf No. 9	to PSC No. 90 Gas
First	Revised Leaf No. 9.1	to PSC No. 90 Gas

Effective July 28, 2003.

Proposed Revisions

Currently, NYSEG charges the customer a flat fee of \$3.85 per foot for installation of the portion of service lines, service connections and appurtenant facilities that exceed the portion NYSEG is required to install at no charge. The above-listed leaves are being filed to replace the flat rate with a requirement that the customer pay the Company's actual costs and expenses for Company installed service lines, service connections and appurtenant facilities that exceed the portion installed at no charge.

Background

In Case No. 93-G-0106, the Commission allowed NYSEG to amend its gas tariffs to include a provision to allow the Company to base charges for most incremental service line costs on a flat fee per foot when installing a gas service which requires facilities in addition to those required to be provided without charge.

The Commission permitted NYSEG to annually review and file changes by February 1. Annual changes of the charge are specifically defined in the tariffs to be based on actual experience during the previous twelve months ended September 30.

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On January 31, 2003, NYSEG filed its annual revision to the flat fee. However, based on further analysis, on March 26, 2003 NYSEG filed to withdraw its flat fee filing. Based on conversations with PSC Staff wherein they advised the Company that NYSEG was the only utility using a flat fee, the Company is filing the enclosed tariff modification to charge customers on an actual cost basis. NYSEG's proposed revision will allow the Company to pass through the actual costs incurred on each project to the customer, ensure appropriate Company compensation, eliminate the need for the Company to prepare an annual flat fee update filing, and eliminate associated PSC action.

Purpose of the Filing

The purpose of the filing is to revise Section 2, Rules Relating to the Installation of Mains, Services, Extensions, Etc. of NYSEG's PSC 90 Gas tariff to eliminate the flat fee for gas service line extensions and implement a method for charging the customer the Company's actual costs and expenses incurred for installations, in addition to those required to be provided without 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 this change is primarily procedural and affected customers will be provided information directly when they contact 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 Anne Reichert at (607) 762-7742.

Very truly yours,

Christine M. Stratakos
Manager - Rates & Tariffs

Encs.