

December 9, 2004

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 94-E-0952 – In the Matter of Competitive Opportunities Regarding Electric Service; System Benefits Charge – 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 Continuing and Expanding the System Benefits Charge for Public Benefit Programs, in Case 94-E-0952, issued and effective January 26, 2001 (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 1
Leaf No. 133, Revision 1
Leaf No. 160, Revision 1
Leaf No. 197, Revision 1
Leaf No. 208, Revision 1
Leaf No. 221, Revision 1
Leaf No. 261, Revision 1
Leaf No. 272, Revision 1
Leaf No. 289, Revision 5
Leaf No. 300, Revision 1
Leaf No. 310, Revision 1
Leaf No. 318, Revision 1

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

Leaf No. 24, Revision 2
Leaf No. 37, Revision 2
Leaf No. 59, Revision 2

Effective: January 1, 2005

Honorable Jaclyn A. Brilling

Page 2

December 9, 2004

The Order established the SBC annual collection level for NYSEG at \$21,646,429 for the five-year period through June 30, 2006. This level had since been updated by the Department of Public Service ("DPS") Staff to adjust for rounding. In accordance with DPS, the revised annual collection level for NYSEG is \$21,645,000. The Order also provided that "[a]ny over or under-collections shall be trued up on an annual basis." (Order at page 26).

NYSEG has performed the annual reconciliation of SBC revenues collected in 2004. NYSEG began the reconciliation by calculating an updated 2004 collection goal. The actual 2003 SBC over-collection of \$773,337 was subtracted from the annual SBC collection level of \$21,645,000, resulting in a 2004 SBC collection goal of \$20,871,663. From that amount, we subtracted the projected \$21,845,048 that will have been collected in calendar year 2004 (based on nine months of actual and three months of forecasted data), resulting in an estimated 2004 over-collection of \$973,385.

To calculate the 2005 SBC rate, the projected \$973,385 over-collection was subtracted from the annual SBC target collection amount of \$21,645,000, resulting in a 2005 collection requirement of \$20,671,615. That amount was then divided by the kWh sales forecast for 2005, resulting in a SBC surcharge of \$0.0014 per kWh to become effective January 1, 2005. This 2005 surcharge amount is reflected in the attached proposed tariff leaves.

An analysis of actual surcharge amounts over- or under-collected in 2004 will be completed in January 2005. The results of that calculation will be included in the surcharge calculation for 2006. This approach will continue to provide the customer with an SBC surcharge that does not change during the calendar year.

Per Ordering Clause 15 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 are 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