

June 17, 2004

VIA ELECTRONIC FILING

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

Re: Case Nos. 01-E-0359 and 01-M-0404 – New York State Electric & Gas
Corporation's Electric Rate Plan; Compliance Tariff Filing

Dear Secretary Brillling:

The enclosed 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").

PSC No. 120 – Electricity, Schedule for Electric Service

Leaf No. 119, Revision 1
Leaf No. 122, Revision 1
Leaf No. 129, Revision 1
Leaf No. 132, Revision 1

Effective: January 1, 2005

This filing is made in compliance with the Commission's Order Adopting Provisions of the Joint Proposal with Modifications, Cases 01-E-0359 and 01-M-0404, issued February 27, 2002, (the "February Order"), and the Order Directing Rate Design and Revenue Allocation, Case 01-E-0359, issued November 22, 2002 (the "November Order"). Ordering Clause No. 3 of the November Order directed NYSEG to file redesigned delivery rates on or before October 1, 2004 to become effective on January 1, 2005. The Company hereby files its proposed redesigned delivery rates for Service Classification ("SC") Nos. 1 and 2 of PSC No. 120 – Electricity to become effective on January 1, 2005.

Proposed Delivery Rate Design

The proposed revised delivery rates for SC 1 and SC 2 are listed in the Company's ESCO Rate Option (ERO) and Variable Rate Option (VRO) rate tables set forth in the attached proposed revised tariffs.

On page 8 of the November Order, the PSC stated: "We are continuing to move toward cost-based rates in a deliberate but gradual manner while considering customer impacts, consistent with our long-standing practices in this area." Accordingly, the Company was

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directed to file a redesigned delivery rate proposal to be effective for the last two years of its rate plan reflecting the reallocation of an additional 5.7% of delivery revenue responsibility to the residential class from the non-residential class. The Attachment to the November Order sets forth average delivery rate revenue targets per kilowatt-hour for the SC 1 residential and SC 2 demand-metered non-residential class to be effective January 1, 2005. These class averages were utilized in the Company's rate design proposal filed herein.

NYSEG proposes to accomplish this revenue reallocation through an increase to the Energy Charge of the SC 1 residential class and a decrease to the Demand Charge and Energy Charges of the SC 2 non-residential class. No changes are proposed to Basic Service Charges.

Timing of PSC Approval

Mailing of the Enrollment Kits for the second Commodity Offering Period will begin in early October 2004. NYSEG plans to include actual January 1, 2005 tariff rates in the kits so customers can make informed decisions regarding their rate option choices. Therefore, NYSEG respectfully requests PSC approval of these proposed SC 1 and SC 2 delivery rates by August 31, 2004, to ensure that the Enrollment Kits sent to customers will accurately reflect 2005 delivery rates.

Future Compliance Tariff Filing

NYSEG will be filing further revised tariff leaves to be effective January 1, 2005 to reflect revised Commodity prices and Transition Charges to be determined as of October 1, 2004 pursuant to the Company's Joint Proposal.

In accordance with Ordering Clause No. 3 of the November Order, a copy of this filing has been served upon all parties to this proceeding.

Please direct any questions pertaining to this filing to Susan Gallia at (607) 762-7265 or to me at (607) 762-7341.

Very truly yours,

Christine M. Stratakos
Manager – Pricing & Analysis

Encs.
cc: All Active Parties