

January 30, 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 No. 02-E-0779 - NYSEG's Tariff Filing to Establish New Rates,  
Terms and Conditions for the Provision of Electric Standby Service.

Dear Secretary Brillling:

The enclosed tariff 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. 2, Revision 1  
Leaf No. 3, Revision 1  
Leaf No. 17, Revision 1  
Leaf No. 282, Revision 1  
Leaf No. 283, Revision 1  
Leaf No. 284, Revision 1  
Leaf No. 285, Revision 1  
Leaf No. 286, Revision 1  
Leaf No. 286.1, Original  
Leaf No. 287, Revision 1  
Leaf No. 288, Revision 1  
Leaf No. 289, Revision 1  
Leaf No. 290, Revision 1  
Leaf No. 291, Revision 1  
Leaf No. 292, Revision 1  
Leaf No. 293, Revision 1  
Leaf No. 294, Revision 1  
Leaf No. 294.1, Original  
Leaf No. 294.2, Original  
Leaf No. 294.3, Original  
Leaf No. 294.4, Original  
Leaf No. 294.5, Original  
Leaf No. 294.6, Original  
Leaf No. 294.7, Original

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Leaf No. 294.8, Original  
Leaf No. 294.9, Original  
Leaf No. 294.10, Original  
Leaf No. 294.11, Original  
Leaf No. 294.12, Original

Effective: February 1, 2004.

Today's filing is in compliance with the Commission's Order Directing Modifications to Standby Service Tariffs, issued January 23, 2004 in Case No. 02-E-0779 (the "January Order").

### **Existing Customer Eligibility**

In accordance with the January Order, NYSEG revised its tariff to clarify that a NYSERDA funded recipient as of January 31, 2003, must commence operation of its On-Site Generating facilities ("OSG") by May 31, 2006 to remain qualified as an Existing Customer.

### **Phase-in**

NYSEG's tariff is also updated to eliminate the five-year phase-in for Designated Technology Customers. Instead, like Existing Customers, the revised tariff now provides that Designated Technology Customers, who would not otherwise qualify as an Existing Customer, will have the option to choose between going immediately to full Standby Service rates or participating in the eight-year phase-in. To take full Standby Service Rates, a Designated Technology Customer who would not otherwise qualify as an Existing Customer, must make that one-time election in writing to the Company 30 days prior to commencing Standby Service. Otherwise, the Designated Technology Customer would be subject to the phase-in and would join the phase-in (in progress) for the remainder of the eight-year period.

### **Exemption**

A permanent exemption from NYSEG's Standby Service is available to a Designated Technology Customer, who would not otherwise qualify as an Existing Customer, if such customer's facility were placed in-service between February 1, 2004 and May 31, 2006. The customer must make the election to be permanently exempt in writing, 30 days prior to commencing Standby Service. Existing OSG projects that upgrade by installing Designated Technology components, or hybrid projects partially comprised of Designated Technology components, are eligible for the Designated Technology exemption only for the upgraded Designated Technology components, and only if those components are separately metered.

Finally, if a Designated Technology Customer came on-line between the dates of July 29, 2003 and February 1, 2004, such a customer must make the election to be permanently exempt no later than March 1, 2004.

### **Efficient CHP Criteria**

This filing provides criteria established in the January Order that small, efficient Combined Heat and Power ("CHP") facilities must meet to become eligible for the rate options.

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The criteria include efficiency, environmental emissions standards, size limit and methods for measuring and calculating compliance with the CHP criteria.

### **Miscellaneous Tariff Changes**

In accordance with the January Order, NYSEG has also modified its Standby Service tariff regarding the Term of Service. Effective February 1, 2004, a customer may terminate Standby Service upon giving NYSEG a 60-day notice of termination (a 90-day notice was previously proposed).

### **Conversion of Tariffs to Electronic Format**

On October 31, 2003, NYSEG filed proposed tariff revisions to PSC No. 115 - Electricity in compliance with the Commission's Order Establishing Electric Standby Rates, issued July 30, 2003. As of January 1, 2004, however, NYSEG converted all of its effective tariff provisions from Schedule 115 into electronic format as Schedule 120. Today's filing is designed to convert those leaves filed October 31 to electronic format within PSC No. 120. This proposed conversion to electronic format is in accordance with the Commission's Summary Order, issued November 28, 2003 in Case 03-E-1552 regarding NYSEG's proposal to convert its electric tariff schedules into electronic format.

### **Conclusion**

In accordance with Ordering Clause 2 of the January Order, newspaper publication of the proposed tariff amendments has been waived. NYSEG is emailing a copy of today's filing to all parties. Please direct any questions pertaining to this filing to Patricia J. Clune at (607) 762-7512, or me at (607) 762-7341.

Very truly yours,

Christine M. Stratakos  
Manager – Pricing & Analysis

Encs.

cc: All active parties