

January 25, 2006

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 05-M-0090 – In the Matter of the System Benefits Charge III – Compliance  
Tariff 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 the System Benefits Charge (SBC) and the SBC-Funded Public Benefit Programs, in Case 05-M-0090, issued and effective December 21, 2005 (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. 18, Revision 5  
Leaf No. 123, Revision 8  
Leaf No. 133, Revision 9  
Leaf No. 160, Revision 9  
Leaf No. 197, Revision 8  
Leaf No. 208, Revision 9  
Leaf No. 221, Revision 9  
Leaf No. 261, Revision 8  
Leaf No. 272, Revision 9  
Leaf No. 289, Revision 16  
Leaf No. 300, Revision 8  
Leaf No. 310, Revision 9  
Leaf No. 318, Revision 10

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

Leaf No. 14, Revision 5  
Leaf No. 24, Revision 8  
Leaf No. 37, Revision 8  
Leaf No. 59, Revision 8

Effective: July 1, 2006

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The Order provides for the continuance of the System Benefits Charge ("SBC") through June 30, 2011 and also increases the overall funding level of the SBC. The Order establishes the annual SBC collection level for NYSEG at \$21,709,150 for the five-year period ending June 30, 2011.

Ordering Clause 4 of the Order directs utilities to file tariffs to become effective July 1, 2006. In accordance with Ordering Clause 3, to calculate the 2006 SBC rate to be effective July through December 2006, the annual SBC target collection amount of \$21,709,150 was divided in half, resulting in a six-month collection amount of \$10,854,575. That amount was then divided by the kWh sales forecast for July through December of 2006, resulting in a SBC surcharge of \$0.0015 per kWh.

In accordance with Ordering Clause 7, a full comprehensive reconciliation for the five-year period ended June 30, 2006 will be completed and submitted by September 1, 2006. Also in accordance with Ordering Clause 7, beginning in year 2007, and on an annual basis thereafter, NYSEG will perform an annual reconciliation of its over- and under-collections and submit it to the Commission by June 1<sup>st</sup> for the previous year's activity.

Per Ordering Clause 4 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 Cindy Reed at (607) 762-7656.

Very truly yours,

Christine M. Stratakos  
Manager, Pricing & Analysis  
Rates & Regulatory Economics

Enclosures