

June 16, 2010

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. 09-M-0311 – Implementation of Chapter 59 of the Laws of 2009
Establishing a Temporary Annual Assessment Pursuant to Public Service
Law §18-a(6) – Annual Compliance Filing

Dear Secretary Brillling:

New York State Electric & Gas Corporation ("NYSEG" or the "Company") hereby submits for filing the enclosed statements, listed below, to become effective July 1, 2010, in compliance with Ordering Paragraph 1 of the New York Public Service Commission's (the "Commission") Order Implementing Temporary State Assessment in the above-referenced proceeding, issued and effective June 19, 2009 (the "Order") and Appendix 7-H (electronic tariff filing system) to the Commission's Codes, Rules and Regulations (16 NYCRR Appendix 7-H).

PSC No. 88 – Gas, Schedule for Gas Service, Transportation – TSAS No. 4

Overview of the Filing

Today's filing sets forth updated Temporary State Assessment Surcharges in compliance with the Order.

For both electric and gas service, NYSEG allocated the Temporary State Assessment Surcharge amounts to the respective service classes based on the Company's 2009 delivery and supply revenues and the estimated 2009 ESCO supply revenues. Electric and gas surcharge rates were then derived based on the resulting allocated Temporary State Assessment amount for each service class. The Order provides that "To the extent the amount of the Temporary State Assessment decreases in any year due to a fluctuation in annual intrastate gross operating revenues, we authorize the companies to maintain the prior year's surcharge in order to improve their cash flow position without increasing customers' bills."¹

For electric, the resulting surcharge rates are a cent/kWh charge, with the exception of Service Classification No. 11. For customers taking service under Service

¹ Order, at page 32.

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Classification No. 11, the TSAS will be applied to the Contract Demand charge². Based on the Company's calculations, and in accordance with the Order, the Company is not filing updated statements for electric.

For gas, the resulting surcharge rate is a cent/therm charge. The Company's calculations demonstrate that the surcharge rate for Service Classification No. 5 Transportation required updating. Other gas surcharges listed on the statement remain unchanged.

For customers that have received a NYPA allocation or an economic incentive, the customer's otherwise applicable standard service classification will determine the applicable TSAS.

Newspaper Publication

In accordance with Ordering Paragraph 3, the requirement of § 66(12)(b) of the Public Service Law regarding newspaper publication is waived.

Company Contacts

Please direct any questions pertaining to this filing to Lori Cole at (607) 762-8710 or me at (585) 771-4692.

Very truly yours,

Mark O. Marini
Manager, Regulatory & Tariffs
Rates and Regulatory Economics Department

Enclosures

² For customers taking service under Special Provision (d) of Service Classification No. 11, the customer's otherwise applicable standard service classification will determine the applicable TSAS.