

May 29, 2009

VIA ELECTRONIC FILING

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

Re: Compliance Filing of New York State Electric & Gas Corporation
for Case 09-E-0109 – Proceeding on Motion of the Commission as
to Continuation of Standby Rate Exemptions for Beneficial
Distributed Generation.

Dear Secretary Brillling:

The enclosed tariff leaves, issued by New York State Electric & Gas Corporation (“NYSEG” or the “Company”), are filed in compliance with the New York State Public Service Commission’s (“Commission”) Order Continuing and Modifying in Part the Standby Rate Exemption, issued and effective May 18, 2009, in Case 09-E-0109 (the “Order”). The tariff leaves are transmitted for filing in compliance to Ordering Clause No. 1 as identified herein and in accordance with the requirements of Appendix 7-H (electronic tariff filing system) to the Commission’s Codes, Rules and Regulations (16 NYCRR Appendix 7-H).

P.S.C. No. 120 – Electricity, Schedule for Electric Service

Leaf No. 284, Revision 4
Leaf No. 285, Revision 2
Leaf No. 286, Revision 4
Leaf No. 286.1, Revision 1
Leaf No. 294.1, Revision 3

Effective June 1, 2009

Purpose of the Filing

Pursuant to the Commission Order in Case 09-E-0109, issued and effective May 18, 2009, the attached tariff leaves are being filed to reflect an extension for the standby rate exemption provision and an increase of facility size for photovoltaic (PV) customers eligible for the exemption.

Overview of the Filing

As discussed in prior proceedings, it has been decided that certain forms of beneficial distributed generation (DG), including small, efficient combined heat and power (CHP) facilities, would be eligible to opt for an exemption from standby rates. Currently, customers installing DG projects that qualify for the exemption may select among standby rates, a phase-in to those rates, or standard tariff rates for the usage they

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take in excess of the production from their generators. That exemption, however, is scheduled to expire on May 31, 2009.

In compliance with the Order, NYSEG will continue to offer the standby rate exemption options extending the provision until May 31, 2015. Under the extension, customers eligible for the exemption may continue to exercise a one-time option to select among standard tariff rates, standby rates, or a phase-in to those rates (entering at the stage in which the phase-in has reached at the time the customer's DG facility enters service). Once the existing phase-in reaches its final progressionary step on January 31, 2011, the phase-in option will expire with its terms. After January 31, 2011, new customers who qualify for the standby exemption rate will be eligible to choose among the standard tariff rates or standby rates. Provision changes to implement this extension have been incorporated into the Company's tariffs attached hereto.

In addition to the provision changes that implement the standby rate exemption extension, the Company is also including in its tariffs the 2 MW facility capacity limit a PV customer may have in order to be eligible for the exemption.

Newspaper Publication

In accordance with Ordering Clause 3 of the Order, the requirement of Section 66(12) (b) of the Public Service Law that requires newspaper publication of proposed tariff changes is waived.

Company Contacts

Please direct any questions pertaining to this filing to Tamara Prodrick at (585) 771-4204 or Diane Long at (607) 762-7713.

Very truly yours,

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

Enclosures