

..DID:

..TXT:

PSC NO: 88 GAS

STATEMENT TYPE: TSF

COMPANY: NEW YORK STATE ELECTRIC & GAS CORPORATION

STATEMENT NO: 7

INITIAL EFFECTIVE DATE: 01/01/03

STAMPS: Issued in compliance with Commission order in Case 01-G-1668 dated 11/20/02.

RECEIVED:

STATUS:

EFFECTIVE: 01/01/03

The prices and charges for service under all service classifications will be increased by dividing the total of such prices and charges by a Tax Surcharge Factor which collects Gross Income Tax in accordance with Section 3.A. of PSC No. 87 and PSC No. 88; plus, where applicable, the 1% municipal tax rate in accordance with Section 3.B. of PSC No. 87 and PSC No. 88, and where applicable, the Temporary Metropolitan Transportation Business Tax Surcharge, in accordance with Section 3.C. of PSC No. 87 and PSC No. 88. For cities, villages or other areas served, the applicable surcharge factors are as follows:

ORANGE COUNTY:

Cities or Villages: Surcharge Factor: Sales: .976992 Transportation: .981906

Includes Villages of: Goshen and Walden.

All Other Areas: Surcharge Factor: Sales: .986942 Transportation: .981906

PUTNAM COUNTY:

All Areas: Surcharge Factor: Sales: .986926 Transportation: .981890

ALL OTHER COUNTIES:

Cities or Villages: Surcharge Factor: Sales: .981811 Transportation: .986750

Includes Cities of: Auburn, Binghamton, Canandaigua, Cortland, Elmira, Geneva, Ithaca, Lockport, Mechanicville, Norwich, Olean, Oneonta and Plattsburgh.

Includes Villages of: Albion, Allegany, Cayuga, Cayuga Heights, Clyde, Cobleskill, Dannemora, Dansville, Deposit, DeRuyter, Dryden, Dundee, Elbridge, Elmira Heights, Groton, Homer, Johnson City, Jordan, Lansing, Lowville, Lyndonville, Lyons, Macedon, Manchester, Marcellus, McGraw, Medina, Middleport, Montour Falls - T. of Dix, Montour Falls - T. of Montour, Moravia, Morrisville, Newark, Nunda, Owego, Palmyra, Penn Yan, Port Byron, Port Dickinson, Seneca Falls, Shortsville, Trumansburg, Union Springs, Walton, Waterloo, Watkins Glen - T. of Dix, Watkins Glen - T. of Reading and Weedsport.

All Other Areas: Surcharge Factor: Sales: .991811 Transportation: .986750

Issued By: James A. Lahtinen, VP - Rates & Regulatory Economics, Binghamton, NY

(Name of Officer, Title, Address)