



FC 21656
Reports
07-G-1101
OEG
OGC
GTW

October 15, 2007

The Honorable Jaclyn A. Brilling, Secretary
NYS Department of Public Service
Three Empire State Plaza
Albany, NY 12223

Dear Secretary Brilling:

In compliance with 16 NYCRR 720-6.5(g), New York State Electric & Gas Corporation ("NYSEG") herewith submits the annual computation of the surcharge or refund including supporting data applicable to the gas supply charge as set forth in Section 14 of PSC No. 90 Gas. The reconciliation is related to the gas year ended August 2007.

Beginning January 1, 2008, the Company will apply the following surcharge/refund to customer bills:

Gas Supply Area 1	Refund per therm:	(\$0.0088)
Gas Supply Area 2	Surcharge per therm:	\$0.0156
Gas Supply Area 3	Refund per therm:	(\$0.0146)

Pursuant to Section 6-1.3 of the Codes, Rules and Regulations of the New York State Public Service Commission, 16 NYCRR Section 6-1.3, NYSEG is requesting limited trade secret protection for confidential data contained in this annual gas cost reconciliation. Accordingly, NYSEG is filing an un-redacted version of the reconciliation with the Records Access Officer of the State of New York Department of Public Service. The redacted version of the reconciliation is enclosed.

By letters dated October 15, 2006 and November 21, 2006, NYSEG submitted its annual computation of surcharge/credits for the period September 2005 through August 2006. In those filings, NYSEG excluded the calculated lost and unaccounted for ("LAUF") incentive from the calculated surcharges/credits because it appeared that reported billed sales were overstated relative to reported supply. In its

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Order Concerning Annual Reconciliation of Gas Costs, issued and effective December 22, 2006, in Case 06-G-1168, the Commission allowed NYSEG's annual reconciliation surcharges/credits to become effective January 1, 2007. As part of the Order, the Commission concluded that the Company's exclusion of the LAUF incentive was reasonable. Because of its concern for potential impact of any future adjustments to the reported billed sales, the Commission also required that NYSEG make quarterly updates on the status of the over-stated reported billed sales volumes due to internal reporting issues and to file a report on findings no later than in its next annual reconciliation filing. NYSEG's final report is enclosed as Exhibit 9.

By letter dated December 28, 2006, NYSEG proposed to maintain the existing Factor of Adjustment ("FA") on a temporary basis, pending the analysis of the overstated billed sales volumes. Because of the anomalous results for the 2006 gas year, NYSEG proposes to exclude that period from the calculation of the FA. Rather, the Company proposes to calculate the FA based on the average of the September 2004 through August 2005 and September 2006 through August 2007 gas years and to apply that FA beginning January 1, 2008. This calculation is enclosed as Exhibit 8. To get back on the two-year schedule outlined on Leaf 90.6 of PSC No. 90 – Gas, the Company further proposes to recalculate the FA based on September 2006 through August 2008, to be effective January 1, 2009.

Additionally, final optimization data is not available at this time for the period April through August 2007. Therefore, the estimated data included in GCIM Exhibit 6 will be adjusted to actual in next year's annual reconciliation.

Should you have any questions regarding this filing please contact Shari Wells at (607) 762-8070.

Very truly yours,

Christine M. Stratakos/ded

Christine M. Stratakos
Manager, Pricing and Analysis

Enclosures

REDACTED

New York State Electric & Gas Corporation
Annual Gas Cost Adjustment
Refund Rate
12 Months Ended August 31, 2007
Gas Supply Area 1
Combined, Elmira, Goshen & Champlain Rate Area

EXPENSE

Total Gas Expense	Exhibit 1, Pg. 1	\$ 174,215,333
GCIM Adjustment	Exhibit 1, Pg. 1	
ISS Gas Expense	Exhibit 1, Pg. 1	
NGV Gas Expense	Exhibit 1, Pg. 1	\$ (592)
Annual Reconciliation 2004-2005	Exhibit 3, Pg. 1	\$ (325,576)
Annual Reconciliation 2005-2006	Exhibit 3, Pg. 2	\$ (72,876)
LAUF Adjustment	Exhibit 5, Pg. 1	\$ 299,133
Merchant Function Charge	Exhibit 7, Pg. 1	\$ (872,860)
Total Firm Gas Expense		<u>\$ 160,687,886</u>

REVENUES

GSC Revenues	Exhibit 2, Pg. 1	\$ 155,818,300
Balancing Demand	Exhibit 2, Pg. 2	\$ 643,544
Standby Demand	Exhibit 2, Pg. 2	\$ 76,981
Reservation of Sales Status	Exhibit 2, Pg. 2	\$ (10,775)
Transition Surcharge	Exhibit 2, Pg. 2	\$ 4,099,708
Prior Year Adj. Included in GSC Revenues	Exhibit 2, Pg. 3	\$ 1,601,101

Total Firm Gas Revenues	<u>\$ 162,228,860</u>
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Over (Under) Collection of GSC Revenues	\$ 1,540,974
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Total Principal Amount Due Customer (NYSEG)	\$ 1,540,974
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Total Interest Amount Due Customer (NYSEG) Exhibit 4	<u>\$ 63,001</u>
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Total Refund Amount (Surcharge Amount)	<u>\$ 1,603,975</u>
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Surcharge (Refund) Principal Rate	\$ (0.0085) per therm
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Surcharge (Refund) Interest Rate	<u>\$ (0.0003) per therm</u>
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Total Surcharge (Refund) Rate	<u>\$ (0.0088) per therm</u>
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Forecasted Therm Sales	182,346,030
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REDACTED

New York State Electric & Gas Corporation
Purchased Gas Expense
12 months ending August 31, 2007

GSA 1
 Exhibit 1
 Page 1 of 3

GSA1	Demand Expense	Commodity Expense	Total Gas Expense	GCIM Adjustment	ISS	NGV	Firm
							Purchased Gas Expense
Sep 06	\$ 1,824,059	\$ 3,519,451	\$ 5,343,509			\$ (25)	\$ 4,647,517
Oct 06	\$ 1,899,983	\$ 9,685,414	\$ 11,585,397			\$ -	\$ 10,581,723
Nov 06	\$ 2,094,066	\$ 13,938,977	\$ 16,033,044			\$ (67)	\$ 14,775,515
Dec 06	\$ 2,098,819	\$ 19,023,186	\$ 21,122,005			\$ -	\$ 19,883,089
Jan 07	\$ 2,118,436	\$ 21,673,160	\$ 23,791,596			\$ -	\$ 22,137,461
Feb 07	\$ 2,086,451	\$ 28,584,923	\$ 30,671,374			\$ -	\$ 29,093,621
Mar 07	\$ 2,088,876	\$ 22,006,630	\$ 24,095,507			\$ (243)	\$ 22,882,359
Apr 07	\$ 1,725,771	\$ 15,419,596	\$ 17,145,367			\$ (127)	\$ 15,859,365
May 07	\$ 1,745,486	\$ 6,179,543	\$ 7,925,029			\$ (47)	\$ 6,997,080
Jun 07	\$ 1,751,653	\$ 4,912,913	\$ 6,664,565			\$ (33)	\$ 6,405,440
Jul 07	\$ 1,661,339	\$ 2,919,913	\$ 4,581,252			\$ (49)	\$ 3,275,629
Aug 07	\$ 1,685,604	\$ 3,571,084	\$ 5,256,689			\$ (1)	\$ 5,121,265
Total	\$ 22,780,543	\$ 151,434,790	\$ 174,215,333			\$ (592)	\$ 161,660,066

New York State Electric & Gas Corporation
GCIM Adjustments to Purchased Gas Expense
12 months ending August 31, 2007

GSA 1
 Exhibit 1
 Page 2 of 3

GSA1	Wholesale	Non-Migration Capacity Release	Local Production Savings	Conoco Phillips Optimization	Joint Optimization	Affordable Energy	Total GCIM Adjustment
Sep 06							
Oct 06							
Nov 06							
Dec 06							
Jan 07							
Feb 07							
Mar 07							
Apr 07							
May 07							
Jun 07							
Jul 07							
Aug 07							
Total							

Note

Total Gas Expense is adjusted only for the Shareholder Share of Savings.

New York State Electric & Gas Corporation
ISS / NGV Commodity Costs
12 months ending August 31, 2007

GSA1	Interruptible Sales SC-3S - PSC 87			Natural Gas Vehicles Sales SC-4S - PSC 87		
	ISS BT	ISS	ISS CG	NGV BT	NGV	NGV CG
	Dth	Revenue	Dth	Dth	Revenue	Dth
Sep 06	98,881		99,136	3	\$ 25	3
Oct 06	129,667		130,002	0	\$ -	0
Nov 06	126,808		127,135	14	\$ 67	14
Dec 06	143,649		144,020	0	\$ -	0
Jan 07	163,839		164,262	0	\$ -	0
Feb 07	157,648		158,055	0	\$ -	0
Mar 07	135,842		136,193	31	\$ 243	31
Apr 07	122,335		122,651	15	\$ 127	15
May 07	98,690		98,945	6	\$ 47	6
Jun 07	37,038		37,134	4	\$ 33	4
Jul 07	128,556		128,888	6	\$ 49	6
Aug 07	22,687		22,746	0	\$ 1	0
Total	1,365,640		1,369,166	79	\$ 592	79

New York State Electric & Gas Corporation
GSC Revenues
12 months ending August 31, 2007

GSA 1
Exhibit 2
Page 1 of 3

GSA1	Billed SC-1 Sales Dth	SC-1 GSC Revenues	Billed SC-2 Sales Dth	SC-2 GSC Revenues	Billed SC-5 Sales Dth	SC-5 GSC Revenues	Total Net Billed GSC Revenues
Sep 06	274,581	\$ 2,287,779	102,620	\$ 872,184	590	\$ 4,648	\$ 3,164,610
Oct 06	446,475	\$ 3,328,267	137,325	\$ 1,003,781	5	\$ 39	\$ 4,332,087
Nov 06	1,016,012	\$ 8,491,947	383,291	\$ 3,273,790	0	\$ -	\$ 11,765,738
Dec 06	1,365,643	\$ 12,781,965	553,355	\$ 5,175,432	0	\$ -	\$ 17,957,397
Jan 07	1,714,104	\$ 14,695,735	705,782	\$ 6,005,122	0	\$ -	\$ 20,700,857
Feb 07	2,327,468	\$ 20,034,054	907,944	\$ 7,843,181	0	\$ -	\$ 27,877,245
Mar 07	2,029,047	\$ 19,079,618	920,785	\$ 8,662,717	0	\$ -	\$ 27,742,335
Apr 07	1,460,263	\$ 13,973,097	695,009	\$ 6,616,569	0	\$ -	\$ 20,589,666
May 07	812,094	\$ 7,659,404	299,826	\$ 2,824,400	264	\$ 2,361	\$ 10,486,165
Jun 07	424,851	\$ 4,025,180	201,643	\$ 1,905,818	311	\$ 2,769	\$ 5,933,767
Jul 07	266,710	\$ 2,472,388	77,215	\$ 694,530	263	\$ 2,259	\$ 3,169,176
Aug 07	207,470	\$ 1,845,368	32,412	\$ 251,604	276	\$ 2,284	\$ 2,099,256
Total	12,344,720	\$ 110,674,813	5,017,206	\$ 45,129,128	1,709	\$ 14,359	\$ 155,818,300

Other Revenues

GSA1	Daily Metered Balancing Demand	Non-Daily Metered Balancing Demand	Total 1/	Standby Demand 1/	Reservation of Sales Status Revenues	Transition Surcharge Revenues
Sep 06	\$ 38,092	\$ 6,888	\$ 44,981	\$ 8,169	\$ (1,093)	\$ 164,161
Oct 06	\$ 40,361	\$ 6,999	\$ 47,359	\$ 8,175	\$ (2,496)	\$ 245,705
Nov 06	\$ 50,077	\$ 7,139	\$ 57,216	\$ 8,157	\$ (742)	\$ 360,135
Dec 06	\$ 50,968	\$ 7,072	\$ 58,040	\$ 5,782	\$ (880)	\$ 501,331
Jan 07	\$ 52,138	\$ 7,518	\$ 59,656	\$ 5,783	\$ (1,057)	\$ 627,131
Feb 07	\$ 53,322	\$ 7,594	\$ 60,916	\$ 5,752	\$ (1,177)	\$ 750,024
Mar 07	\$ 54,452	\$ 7,559	\$ 62,011	\$ 5,783	\$ (954)	\$ 575,407
Apr 07	\$ 39,044	\$ 7,633	\$ 46,677	\$ 5,788	\$ (811)	\$ 380,874
May 07	\$ 39,104	\$ 5,706	\$ 44,810	\$ 5,842	\$ (534)	\$ 191,670
Jun 07	\$ 32,806	\$ 4,732	\$ 37,538	\$ 5,947	\$ (372)	\$ 98,014
Jul 07	\$ 30,106	\$ 30,945	\$ 61,051	\$ 6,002	\$ (349)	\$ 89,342
Aug 07	\$ 32,082	\$ 31,209	\$ 63,291	\$ 5,801	\$ (310)	\$ 115,914
Total	\$ 512,551	\$ 130,993	\$ 643,544	\$ 76,981	\$ (10,775)	\$ 4,099,708

Note 1/

Represents daily metered, non-daily metered and standby demand charges recorded in other revenue. These other revenues do not include standby commodity and cash-out revenues which are accounted for in Total Gas Expense as shown on Exhibit 1.

New York State Electric & Gas Corporation
 Prior Year Reconciliation Revenues
 12 months ending August 31, 2007

GSA1	Prior Year Adj. in GSC Revenues
Sep 05 \$	(67,676)
Oct 06 \$	(148,678)
Nov 06 \$	(183,808)
Dec 06 \$	(276,754)
Jan 07 \$	(214,127)
Feb 07 \$	(255,972)
Mar 07 \$	(190,342)
Apr 07 \$	(125,737)
May 07 \$	(54,794)
Jun 07 \$	(25,812)
Jul 07 \$	(20,196)
Aug 07 \$	(37,207)
Total	\$ (1,601,101)

New York State Electric and Gas
Over/Under Collection of 2004-2005 Annual Reconciliation Adjustment

GSA 1
Exhibit 3
Page 1 of 2

Billed Therms:														
	SC-1	SC-2	SC-5	SC-8	Total	Unbilled	Unbilled	Unbilled Reversal	Unbilled Reversal	Residential	Non-Residential	All	Annual	Over (Under) Collection
GSA1	Sales Therms	Sales Therms	Sales Therms	Sales Therms	Sales Therms	SC-1	SC-2	SC-1	SC-2	Dth	Dth	Customers	Reconciliation Revenue	Balance
Jan 06	16,962,769	7,673,594	0	0	24,636,362	13,452,556	6,231,058	(13,452,556)	(6,231,058)	16,962,769	7,673,594	\$	(0.0124)	(305,491)
Feb 06	26,572,209	9,327,975	0	0	35,900,184	6,667,599	2,910,466	(13,452,556)	(6,231,058)	19,787,252	6,007,383	\$	(0.0124)	(319,853)
Mar 06	20,733,738	7,827,467	0	0	28,661,205	3,745,207	1,598,959	(6,667,599)	(2,910,466)	17,811,346	6,615,960	\$	(0.0124)	(302,899)
Apr 06	15,238,656	6,336,401	0	0	21,575,057	3,444,014	1,545,292	(3,745,207)	(1,598,959)	14,937,463	6,282,734	\$	(0.0124)	(263,130)
May 06	7,386,237	3,259,880	2,462	0	10,648,599	(33,248)	(15,280)	(3,444,014)	(1,545,292)	3,908,975	1,701,790	\$	(0.0124)	(69,573)
Jun 06	4,759,851	1,487,880	4,400	0	6,252,132	(1,791,519)	(1,100,637)	33,248	15,280	3,901,580	406,923	\$	(0.0124)	(42,265)
Jul 06	2,641,853	1,272,701	5,301	0	3,919,855	(2,088,202)	(1,625,914)	1,791,519	1,100,637	2,345,170	752,725	\$	(0.0124)	(38,414)
Aug 06	1,752,345	741,085	4,845	0	2,498,275	(1,616,444)	(1,246,316)	2,088,202	1,625,914	2,222,103	1,125,528	\$	(0.0124)	(41,511)
Sep 06	2,745,814	1,026,198	5,896	0	3,777,908	1,066,147	736,676	(70,104)	(52,911)	3,741,857	1,715,858	\$	(0.0124)	(67,676)
Oct 06	4,464,752	1,373,246	49	0	5,838,047	4,964,484	2,990,475	(1,066,147)	(736,676)	8,363,089	3,627,084	\$	(0.0124)	(148,678)
Nov 06	10,160,119	3,832,909	0	0	13,993,028	5,741,224	3,043,898	(4,964,484)	(2,990,475)	10,936,859	3,886,332	\$	(0.0124)	(183,808)
Dec 06	13,656,431	5,533,553	0	0	19,189,984	7,952,346	3,961,652	(5,741,224)	(3,043,898)	15,867,553	6,451,307	\$	(0.0124)	(276,754)
Total	127,074,774	49,792,889	22,913	0	176,890,635	41,502,164	19,030,329	(48,890,922)	(22,598,962)	119,886,016	46,247,229		\$ (2,060,052)	
													Interest 1/07 - 8/07	\$ 12,715
													Balance	\$ 325,576

New York State Electric and Gas
Over/Under Collection of 2005-2006 Annual Reconciliation Adjustment

GSA 1
Exhibit 3
Page 2 of 2

Billed Therms:										Over (Under) Collection			
GSA1	SC-1	SC-2	SC-5	Total	Unbilled	Unbilled	Unbilled Reversal	Residential	Non-Residential	Adj	Annual	Balance	
	Sales Therms	Sales Therms	Sales Therms	Sales Therms	SC-1	SC-2	SC-1	SC-2	Dth	Customers	Revenue	\$	
Jan 07	17,141,043	7,057,822	0	24,198,865	10,582,279	4,541,562	(7,952,346)	20,170,976	7,637,752	\$	(0.0077)	\$	1,466,101
Feb 07	23,274,583	9,079,441	0	32,354,024	11,350,369	5,062,435	(10,582,279)	23,642,773	9,600,294	\$	(0.0077)	\$	1,251,974
Mar 07	20,290,471	9,207,852	0	29,498,323	8,168,436	3,465,772	(1,350,389)	17,708,538	7,611,189	\$	(0.0077)	\$	996,002
Apr 07	14,602,533	6,950,087	0	21,552,620	4,424,356	1,986,643	(8,168,436)	10,858,553	5,470,958	\$	(0.0077)	\$	605,660
May 07	8,120,540	2,958,260	2,644	11,121,844	1,619,896	785,311	(4,424,356)	5,316,480	1,799,572	\$	(0.0077)	\$	679,923
Jun 07	4,248,514	2,016,425	3,114	6,268,053	(275,560)	(235,014)	(1,619,896)	2,352,958	999,214	\$	(0.0077)	\$	625,129
Jul 07	2,667,096	772,145	2,630	3,441,871	(867,483)	(462,197)	275,660	2,075,273	547,592	\$	(0.0077)	\$	599,318
Aug 07	2,074,699	324,120	2,756	2,401,575	803,164	287,600	867,483	3,745,346	1,086,673	\$	(0.0077)	\$	579,122
Sep 07	2,963,592	1,214,293		4,177,885				2,993,982	1,214,293	\$	(0.0077)	\$	541,915
Oct 07	9,154,509	3,933,494		13,088,003				9,154,509	3,933,494	\$	(0.0077)	\$	509,511
Nov 07	13,521,597	4,928,020		18,449,617				13,521,597	4,928,020	\$	(0.0077)	\$	408,734
Dec 07	17,239,413	7,928,797		25,168,210				17,239,413	7,928,797	\$	(0.0077)	\$	266,672
Total	135,328,550	56,470,757	11,144	191,751,491	36,205,357	15,442,132	(43,354,599)	128,180,408	52,757,609	\$	(0.0077)	\$	72,876

Note Sep07 through Dec07 Estimated

New York State Electric & Gas Corporation
Computation of Estimated Interest Applicable on Refund/(Surcharge) Principal
September 2007 through December 2008

GSA 1
Exhibit 4
Page 1 of 1

GSA1	Forecasted Therm Firm Sales	Estimated Refund of Principal @ \$0.008451	Declining Principal			Interest On Average Balance*
			Beginning	Ending	Average	
Sep-07			\$ 1,468,097	\$ 1,468,097	\$ 1,468,097	\$ 6,606
Oct-07			\$ 1,468,097	\$ 1,468,097	\$ 1,468,097	\$ 6,606
Nov-07			\$ 1,468,097	\$ 1,468,097	\$ 1,468,097	\$ 6,606
Dec-07			\$ 1,468,097	\$ 1,468,097	\$ 1,468,097	\$ 6,606
Jan-08	32,426,348	\$ 274,029	\$ 1,540,974	\$ 1,266,944	\$ 1,403,959	\$ 6,447
Feb-08	29,892,745	\$ 252,618	\$ 1,266,944	\$ 1,014,326	\$ 1,140,635	\$ 5,237
Mar-08	25,550,244	\$ 215,921	\$ 1,014,326	\$ 798,406	\$ 906,366	\$ 4,162
Apr-08	13,132,929	\$ 110,984	\$ 798,406	\$ 687,422	\$ 742,914	\$ 3,411
May-08	7,867,466	\$ 66,487	\$ 687,422	\$ 620,935	\$ 654,178	\$ 3,004
Jun-08	3,533,616	\$ 29,862	\$ 620,935	\$ 591,073	\$ 606,004	\$ 2,783
Jul-08	3,620,882	\$ 30,599	\$ 591,073	\$ 560,474	\$ 575,773	\$ 2,644
Aug-08	3,543,568	\$ 29,946	\$ 560,474	\$ 530,528	\$ 545,501	\$ 2,505
Sep-08	4,356,289	\$ 36,814	\$ 530,528	\$ 493,713	\$ 512,120	\$ 2,351
Oct-08	11,746,053	\$ 99,264	\$ 493,713	\$ 394,450	\$ 444,081	\$ 2,039
Nov-08	18,650,188	\$ 157,609	\$ 394,450	\$ 236,840	\$ 315,645	\$ 1,449
Dec-08	28,025,704	\$ 236,840	\$ 236,840	\$ 0	\$ 118,420	\$ 544
Total	182,346,030	\$ 1,540,974				\$ 63,001

*Interest Rates:	<u>1/06-12/06</u>	<u>1/07-12/07</u>	<u>1/08-12/08</u>
Monthly	4.75%	5.40%	5.51%
	0.3958%	0.4500%	0.4692%

New York State Electric & Gas Corporation
Annual Gas Cost Adjustment
Surcharge Rate
12 Months Ended August 31, 2007
Gas Supply Area 2
Binghamton & Owego Rate Areas

EXPENSE

Total Gas Expense	Exhibit 1, Pg. 1	\$ 86,008,477
GCIM Adjustment	Exhibit 1, Pg. 1	
ISS Gas Expense	Exhibit 1, Pg. 1	
NGV Gas Expense	Exhibit 1, Pg. 1	\$ (2,310)
Annual Reconciliation 2004-2005	Exhibit 3, Pg. 1	\$ 121,578
Annual Reconciliation 2005-2006	Exhibit 3, Pg. 2	\$ 109,389
LAUF Adjustment	Exhibit 5, Pg. 1	\$ 1,939,473
Merchant Function Charge	Exhibit 7, Pg. 1	\$ (466,529)
Total Firm Gas Expense		\$ 85,034,107

REVENUES

GSC Revenues	Exhibit 2, Pg. 1	\$ 80,691,568
Balancing Demand	Exhibit 2, Pg. 2	\$ 739,701
Standby Demand	Exhibit 2, Pg. 2	\$ 11,361
Reservation of Sales Status	Exhibit 2, Pg. 2	\$ -
Transition Surcharge	Exhibit 2, Pg. 2	\$ 1,604,373
Prior Year Adj. Included in GSC Revenues	Exhibit 2, Pg. 3	\$ 511,731

Total Firm Gas Revenues	\$ 83,558,734
Over (Under) Collection of GSC Revenues	\$ (1,475,373)
Total Principal Amount Due Customer (NYSEG)	\$ (1,475,373)
Total Interest Amount Due Customer (NYSEG) Exhibit 4	\$ (59,747)
Total Refund Amount (Surcharge Amount)	\$ (1,535,120)
Surcharge (Refund) Principal Rate	\$ 0.0150 per therm
Surcharge (Refund) Interest Rate	\$ 0.0006 per therm
Total Surcharge (Refund) Rate	\$ 0.0156 per therm

Forecasted Therm Sales 98,502,714

REDACTED

New York State Electric & Gas Corporation
Purchased Gas Expense
12 months ending August 31, 2007

GSA 2
 Exhibit 1
 Page 1 of 3

GSA2	Demand Expense	Commodity Expense	Total Gas Expense	GCIM Adjustment	ISS	NGV	Firm Purchased Gas Expense
Sep 06	\$ 831,734	\$ 1,721,592	\$ 2,553,326			\$ -	\$ 2,357,869
Oct 06	\$ 1,016,110	\$ 5,272,469	\$ 6,288,579			\$ -	\$ 6,034,013
Nov 06	\$ 992,001	\$ 7,653,775	\$ 8,645,776			\$ (63)	\$ 8,241,057
Dec 06	\$ 1,007,646	\$ 8,898,520	\$ 9,906,166			\$ -	\$ 9,758,201
Jan 07	\$ 1,006,327	\$ 11,277,377	\$ 12,283,703			\$ -	\$ 11,982,118
Feb 07	\$ 1,006,536	\$ 13,353,395	\$ 14,359,931			\$ -	\$ 14,194,163
Mar 07	\$ 989,688	\$ 10,964,243	\$ 11,953,930			\$ (419)	\$ 11,825,286
Apr 07	\$ 828,324	\$ 7,969,583	\$ 8,797,907			\$ (347)	\$ 8,320,138
May 07	\$ 823,111	\$ 3,141,483	\$ 3,964,594			\$ (272)	\$ 3,715,792
Jun 07	\$ 823,432	\$ 1,688,789	\$ 2,512,221			\$ (381)	\$ 2,414,695
Jul 07	\$ 807,274	\$ 1,521,516	\$ 2,328,790			\$ (414)	\$ 2,231,579
Aug 07	\$ 804,364	\$ 1,609,189	\$ 2,413,553			\$ (415)	\$ 2,255,284
Total	\$ 10,936,546	\$ 75,071,931	\$ 86,008,477			\$ (2,310)	\$ 83,330,196

New York State Electric & Gas Corporation
GCIM Adjustments to Purchased Gas Expense
12 months ending August 31, 2007

GSA2	Wholesale	Non-Migration Capacity Release	Local Production Savings	Conoco Phillips Optimization	Joint Optimization	Affordable Energy	Total GCIM Adjustment
Sep 06							
Oct 06							
Nov 06							
Dec 06							
Jan 07							
Feb 07							
Mar 07							
Apr 07							
May 07							
Jun 07							
Jul 07							
Aug 07							
Total							

Note

Total Gas Expense is adjusted only for the Shareholder Share of Savings.

New York State Electric & Gas Corporation
ISS / NGV Commodity Costs
12 months ending August 31, 2007

GSA2	Interruptible Sales SC-3S - PSC 87			Natural Gas Vehicles Sales SC-4S - PSC 87		
	ISS BT Dth	ISS Revenue	ISS CG Dth	NGV BT Dth	NGV Revenue	NGV CG Dth
Sep 06	31,692		31,774	0	\$ -	0
Oct 06	32,484		32,568	0	\$ -	0
Nov 06	47,695		47,818	13	\$ 63	13
Dec 06	31,378		31,459	0	\$ -	0
Jan 07	37,046		37,142	0	\$ -	0
Feb 07	20,212		20,264	0	\$ -	0
Mar 07	23,985		24,047	53	\$ 419	53
Apr 07	55,410		55,553	41	\$ 347	41
May 07	34,828		34,918	34	\$ 272	34
Jun 07	15,664		15,704	45	\$ 381	45
Jul 07	15,806		15,847	48	\$ 414	48
Aug 07	18,143		18,190	54	\$ 415	54
Total	364,343		365,284	288	\$ 2,310	289

New York State Electric & Gas Corporation
GSC Revenues
12 months ending August 31, 2007

GSA 2
Exhibit 2
Page 1 of 3

GSA2	Billed SC-1 Sales Dth	SC-1 GSC Revenues	Billed SC-2 Sales Dth	SC-2 GSC Revenues	Billed SC-5 Sales Dth	SC-5 GSC Revenues	Billed SC-9 Sales Dth	SC-9 GSC Revenues	Total Net Billed GSC Revenues
Sep 06	170,876	\$ 1,457,393	43,953	\$ 382,105	806	\$ 8,034	2,465	\$ 20,255	\$ 1,867,788
Oct 06	263,816	\$ 1,910,979	66,108	\$ 486,169	652	\$ 6,615	1,991	\$ 15,131	\$ 2,418,894
Nov 06	610,349	\$ 5,039,959	152,420	\$ 1,253,965	0	\$ -	2,774	\$ 20,480	\$ 6,314,403
Dec 06	785,022	\$ 7,309,223	264,243	\$ 2,498,729	0	\$ -	3,349	\$ 31,227	\$ 9,839,179
Jan 07	996,965	\$ 8,267,742	322,542	\$ 2,690,821	0	\$ -	3,405	\$ 28,480	\$ 10,987,044
Feb 07	1,331,854	\$ 11,010,702	426,021	\$ 3,494,540	0	\$ -	4,687	\$ 37,264	\$ 14,542,506
Mar 07	1,060,905	\$ 9,482,258	426,958	\$ 3,801,755	0	\$ -	4,761	\$ 41,708	\$ 13,325,722
Apr 07	863,217	\$ 7,901,725	330,117	\$ 3,016,216	0	\$ -	3,652	\$ 33,076	\$ 10,951,020
May 07	378,604	\$ 3,449,160	144,475	\$ 1,309,476	264	\$ 3,058	2,906	\$ 26,280	\$ 4,787,974
Jun 07	262,858	\$ 2,371,122	71,005	\$ 635,967	800	\$ 8,453	2,188	\$ 19,565	\$ 3,035,107
Jul 07	144,895	\$ 1,266,228	34,225	\$ 292,497	857	\$ 8,699	2,101	\$ 18,300	\$ 1,585,723
Aug 07	103,922	\$ 845,546	22,760	\$ 171,758	804	\$ 7,733	1,360	\$ 11,170	\$ 1,036,208
Total	6,973,282	\$ 60,312,038	2,304,827	\$ 20,033,997	4,184	\$ 42,593	35,639	\$ 302,940	\$ 80,691,568

Other Revenues

GSA2	Daily Metered Balancing Demand	Non-Daily Metered Balancing Demand	Total 1/	Standby Demand 1/	Reservation of Sales Status Revenues	Transition Surcharge Revenues
Sep 06	\$ 26,145	\$ 23,077	\$ 49,222	\$ 946	\$ -	\$ 65,280
Oct 06	\$ 30,015	\$ 22,905	\$ 52,920	\$ 946	\$ -	\$ 92,629
Nov 06	\$ 35,863	\$ 23,109	\$ 58,973	\$ 944	\$ -	\$ 170,119
Dec 06	\$ 28,585	\$ 23,786	\$ 52,371	\$ 944	\$ -	\$ 204,429
Jan 07	\$ 36,173	\$ 25,118	\$ 61,291	\$ 944	\$ -	\$ 301,432
Feb 07	\$ 32,857	\$ 34,591	\$ 67,448	\$ 948	\$ -	\$ 284,909
Mar 07	\$ 32,893	\$ 37,486	\$ 70,379	\$ 952	\$ -	\$ 192,320
Apr 07	\$ 27,954	\$ 33,546	\$ 61,500	\$ 951	\$ -	\$ 151,563
May 07	\$ 28,502	\$ 32,732	\$ 61,234	\$ 947	\$ -	\$ 20,840
Jun 07	\$ 28,436	\$ 32,953	\$ 61,389	\$ 947	\$ -	\$ 41,240
Jul 07	\$ 28,090	\$ 38,507	\$ 66,598	\$ 947	\$ -	\$ 29,389
Aug 07	\$ 37,616	\$ 38,763	\$ 76,379	\$ 947	\$ -	\$ 50,223
Total	\$ 373,127	\$ 366,574	\$ 739,701	\$ 11,361	\$ -	\$ 1,604,373

Note 1/

Represents daily metered, non-daily metered and standby demand charges recorded in other revenue. These other revenues do not include standby commodity and cash-out revenues which are accounted for in Total Gas Expense as shown on Exhibit 1.

New York State Electric & Gas Corporation
 Prior Year Reconciliation Revenues
 12 months ending August 31, 2007

GSA2	Prior Year Adj. in GSC Revenues
Sep 06 \$	25,268
Oct 06 \$	52,207
Nov 06 \$	75,263
Dec 06 \$	101,141
Jan 07 \$	(199,301)
Feb 07 \$	(213,084)
Mar 07 \$	(136,905)
Apr 07 \$	(118,416)
May 07 \$	(23,821)
Jun 07 \$	(25,727)
Jul 07 \$	(19,007)
Aug 07 \$	(29,350)
Total	\$ (511,731)

GSA 2
Exhibit 3
Page 1 of 2

Billed Therms:													Annual Reconciliation		Over (Under) Collection	
SC-1	SC-2	SC-5	SC-8	Total	Unbilled	Unbilled	Unbilled Reversal	Unbilled Reversal	Residential	Non-Residential	Non-Res		Reconciliation	Over (Under) Collection		
GSA2	Sales Therms	Sales Therms	Sales Therms	Sales Therms	Sales Therms	SC-1	SC-2	SC-1	SC-2	Dth	Dth	Only	Revenue	Balance		
Jan 06	10,965,909	3,421,662	0	38,171	14,425,742	7,822,487	2,997,816	(7,822,487)	(2,997,816)	10,965,909	3,459,833	\$	0.0085	122,619		
Feb 06	12,403,228	4,569,694	0	50,723	17,023,845	4,610,042	1,819,923	(7,822,487)	(2,997,816)	9,190,783	3,442,524	\$	0.0085	107,383		
Mar 06	11,447,773	3,949,036	0	36,421	15,433,230	1,871,394	718,748	(4,610,042)	(1,819,923)	6,709,125	2,884,782	\$	0.0085	98,544		
Apr 06	9,459,669	3,117,533	0	26,525	12,603,727	2,140,568	806,975	(1,871,394)	(718,748)	9,728,843	3,232,285	\$	0.0085	110,170		
May 06	3,743,121	1,704,751	1,767	32,191	5,481,830	(12,565)	(6,544)	(2,140,568)	(806,975)	1,539,888	925,190	\$	0.0085	21,379		
Jun 06	2,806,872	567,437	10,216	19,767	3,404,292	(946,624)	(422,744)	12,565	6,544	1,872,813	181,220	\$	0.0065	147,459		
Jul 06	1,498,812	654,087	11,651	18,125	2,182,675	(1,036,068)	(468,321)	946,624	422,744	1,409,368	638,286	\$	0.0085	17,405		
Aug 06	1,055,965	485,609	10,542	8,903	1,561,019	(931,491)	(945,574)	1,036,068	468,321	1,180,542	427,801	\$	0.0085	13,671		
Sep 06	1,708,762	439,534	8,056	24,647	2,180,998	560,179	295,481	(40,713)	(23,226)	2,228,228	744,492	\$	0.0085	25,268		
Oct 06	2,638,162	661,018	6,521	19,909	3,325,670	2,664,892	1,007,117	(560,179)	(295,481)	4,742,875	1,399,144	\$	0.0085	52,207		
Nov 06	6,103,486	1,524,198	0	27,740	7,655,424	3,491,118	1,379,938	(2,864,692)	(1,007,117)	6,929,712	1,924,759	\$	0.0085	75,263		
Dec 06	7,850,215	2,642,433	0	33,485	10,526,133	4,583,532	1,660,278	(3,491,118)	(1,379,938)	8,642,629	2,956,258	\$	0.0085	101,141		
Total	71,681,974	23,737,052	48,753	336,607	95,804,386	24,837,464	9,243,093	(29,028,623)	(11,149,431)	67,490,815	22,216,074		\$	762,509		

New York State Electric and Gas
Over/Under Collection of 2005-2006 Annual Reconciliation Adjustment

GSA 2
Exhibit 3
Page 2 of 2

<u>Billed Therms:</u>														
GSA2	SC-1 Sales Therms	SC-2 Sales Therms	SC-5 Sales Therms	SC-9 Sales Therms	Total Sales Therms	Unbilled SC-1	Unbilled SC-2	Unbilled Reversal SC-1	Unbilled Reversal SC-2	Residential Dth	Non- Residential Dth	Non-Res Only	Annual Reconciliation Revenue	Over (Under) Collection Balance
														1,116,730
Jan 07	9,969,651	3,225,421	0	34,054	13,195,072	5,505,186	3,117,912	(4,583,532)	(1,660,278)	11,891,305	4,117,109	\$ (0.0120)	(199,301)	\$ 917,429
Feb 07	13,318,536	4,260,208	0	46,868	17,578,744	6,959,912	2,794,551	(6,505,186)	(3,117,912)	13,773,262	3,983,715	\$ (0.0120)	(213,084)	\$ 704,345
Mar 07	10,609,050	4,269,584	0	47,614	14,978,634	4,569,989	1,666,951	(6,959,912)	(2,794,551)	8,219,127	3,189,598	\$ (0.0120)	(136,905)	\$ 567,441
Apr 07	8,632,173	3,301,157	0	36,518	11,933,340	2,789,356	1,345,714	(4,569,989)	(1,666,951)	6,851,540	3,016,446	\$ (0.0120)	(118,416)	\$ 449,025
May 07	3,786,040	1,444,753	2,643	29,058	5,233,436	548,614	309,006	(2,789,356)	(1,345,714)	1,545,298	439,746	\$ (0.0120)	(23,821)	\$ 425,204
Jun 07	2,628,576	710,045	8,003	21,883	3,346,524	(215,570)	(151,374)	(548,614)	(309,006)	1,864,392	279,551	\$ (0.0120)	(25,727)	\$ 399,477
Jul 07	1,448,348	342,247	8,574	21,012	1,799,769	(417,960)	(185,853)	215,570	151,374	1,246,558	337,354	\$ (0.0120)	(19,007)	\$ 380,470
Aug 07	1,039,224	227,601	8,043	13,598	1,274,868	415,528	138,008	417,960	185,853	1,872,712	573,103	\$ (0.0120)	(29,350)	\$ 351,120
Sep 07	1,589,231	634,350			2,223,581					1,589,231	634,350	\$ (0.0120)	(26,683)	\$ 324,437
Oct 07	4,779,028	1,472,865			6,251,893					4,779,028	1,472,865	\$ (0.0120)	(75,023)	\$ 248,414
Nov 07	7,556,288	2,576,547			10,132,835					7,556,288	2,576,547	\$ (0.0120)	(121,594)	\$ 127,820
Dec 07	15,782,545	3,984,908			19,767,452					15,782,545	3,984,908	\$ (0.0120)	(237,209)	\$ (109,389)
Total	81,139,289	28,449,696	27,263	250,605	107,866,853	21,159,055	9,034,915	(25,323,059)	(10,557,185)	76,971,285	25,205,294		\$ (1,226,119)	

Note: Sep07 through Dec07 Estimated

New York State Electric & Gas Corporation
 Computation of Estimated Interest Applicable on Refund/(Surcharge) Principal
 September 2007 through December 2008

GSA 2
 Exhibit 4
 Page 1 of 1

GSA2	Forecasted Therm Firm Sales	Estimated Refund of Principal @ \$0.014978	Declining Principal			Interest On Average Balance*
			Beginning	Ending	Average	
Sep-07			\$ (1,365,984)	\$ (1,365,984)	\$ (1,365,984)	\$ (6,147)
Oct-07			\$ (1,365,984)	\$ (1,365,984)	\$ (1,365,984)	\$ (6,147)
Nov-07			\$ (1,365,984)	\$ (1,365,984)	\$ (1,365,984)	\$ (6,147)
Dec-07			\$ (1,365,984)	\$ (1,365,984)	\$ (1,365,984)	\$ (6,147)
Jan-08	17,879,171	\$ 267,794	\$ (1,475,373)	\$ (1,207,579)	\$ (1,341,476)	\$ (6,160)
Feb-08	16,073,197	\$ 240,744	\$ (1,207,579)	\$ (966,835)	\$ (1,087,207)	\$ (4,992)
Mar-08	12,148,118	\$ 181,954	\$ (966,835)	\$ (784,880)	\$ (875,857)	\$ (4,022)
Apr-08	8,876,723	\$ 132,955	\$ (784,880)	\$ (651,925)	\$ (718,402)	\$ (3,299)
May-08	3,259,147	\$ 48,815	\$ (651,925)	\$ (603,109)	\$ (627,517)	\$ (2,881)
Jun-08	2,035,336	\$ 30,485	\$ (603,109)	\$ (572,624)	\$ (587,867)	\$ (2,699)
Jul-08	2,069,405	\$ 30,996	\$ (572,624)	\$ (541,628)	\$ (557,126)	\$ (2,558)
Aug-08	2,029,353	\$ 30,396	\$ (541,628)	\$ (511,233)	\$ (526,431)	\$ (2,417)
Sep-08	2,410,915	\$ 36,111	\$ (511,233)	\$ (475,122)	\$ (493,177)	\$ (2,265)
Oct-08	6,659,394	\$ 99,744	\$ (475,122)	\$ (375,378)	\$ (425,250)	\$ (1,953)
Nov-08	9,759,151	\$ 146,172	\$ (375,378)	\$ (229,205)	\$ (302,292)	\$ (1,388)
Dec-08	15,302,803	\$ 229,205	\$ (229,205)	\$ (0)	\$ (114,603)	\$ (526)
Total	98,502,714	\$ 1,475,373				\$ (59,747)

*Interest Rates: Monthly	<u>1/06-12/06</u>	<u>1/07-12/07</u>	<u>1/08-12/08</u>
	4.75%	5.40%	5.51%
	0.3958%	0.4500%	0.4592%

GSA 3

REDACTED

New York State Electric & Gas Corporation
Annual Gas Cost Adjustment
Refund Rate
12 Months Ended August 31, 2007
Gas Supply Area 3
Lockport Rate Area

EXPENSE

Total Gas Expense	Exhibit 1, Pg. 1	\$	31,365,203
GCIM Adjustment	Exhibit 1, Pg. 1		
ISS Gas Expense	Exhibit 1, Pg. 1		
NGV Gas Expense	Exhibit 1, Pg. 1	\$	-
Annual Reconciliation 2004-2005	Exhibit 3, Pg. 1	\$	189,022
Annual Reconciliation 2005-2006	Exhibit 3, Pg. 2	\$	56,172
LAUF Adjustment	Exhibit 5, Pg. 1	\$	599,161
Merchant Function Charge	Exhibit 7, Pg. 1	\$	(165,542)
Total Firm Gas Expense		\$	31,108,415

REVENUES

GSC Revenues	Exhibit 2, Pg. 1	\$	31,622,038
Balancing Demand	Exhibit 2, Pg. 2	\$	212,898
Standby Demand	Exhibit 2, Pg. 2	\$	15,309
Reservation of Sales Status	Exhibit 2, Pg. 2	\$	39,411
Transition Surcharge	Exhibit 2, Pg. 2	\$	1,153,591
Prior Year Adj. Included in GSC Revenues	Exhibit 2, Pg. 3	\$	(1,477,406)

Total Firm Gas Revenues	\$	31,565,840
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Over (Under) Collection of GSC Revenues	\$	457,425
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Total Principal Amount Due Customer (NYSEG)	\$	457,425
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Total Interest Amount Due Customer (NYSEG)	Exhibit 4	\$	20,100
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Total Refund Amount (Surcharge Amount)	\$	477,525
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Surcharge (Refund) Principal Rate	\$	(0.0140) per therm
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Surcharge (Refund) Interest Rate	\$	(0.0006) per therm
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Total Surcharge (Refund) Rate	\$	(0.0146) per therm
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Forecasted Therm Sales		32,717,038
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REDACTED

New York State Electric & Gas Corporation
Purchased Gas Expense
12 months ending August 31, 2007

GSA 3
 Exhibit 1
 Page 1 of 3

GSA3				GCIM Adjustment			Firm Purchased Gas Expense
	Demand Expense	Commodity Expense	Total Gas Expense		ISS	NGV	
Sep 06	\$ 578,955	\$ 429,591	\$ 1,008,546			\$ -	\$ 1,001,313
Oct 06	\$ 593,407	\$ 1,559,216	\$ 2,152,624			\$ -	\$ 2,084,625
Nov 06	\$ 623,568	\$ 2,551,624	\$ 3,175,193			\$ -	\$ 3,089,518
Dec 06	\$ 614,419	\$ 2,858,513	\$ 3,472,932			\$ -	\$ 3,397,493
Jan 07	\$ 615,112	\$ 3,735,083	\$ 4,350,195			\$ -	\$ 4,167,990
Feb 07	\$ 616,945	\$ 4,632,326	\$ 5,249,271			\$ -	\$ 5,090,809
Mar 07	\$ 615,229	\$ 3,347,564	\$ 3,962,793			\$ -	\$ 3,883,286
Apr 07	\$ 633,521	\$ 2,591,999	\$ 3,225,520			\$ -	\$ 3,129,031
May 07	\$ 625,513	\$ 935,827	\$ 1,561,340			\$ -	\$ 1,516,975
Jun 07	\$ 638,533	\$ 546,363	\$ 1,184,896			\$ -	\$ 1,144,766
Jul 07	\$ 622,253	\$ 429,340	\$ 1,051,593			\$ -	\$ 996,001
Aug 07	\$ 579,053	\$ 391,248	\$ 970,302			\$ -	\$ 927,796
Total	\$ 7,356,509	\$ 24,008,695	\$ 31,365,203			\$ -	\$ 30,429,602

New York State Electric & Gas Corporation
GCIM Adjustments to Purchased Gas Expense
12 months ending August 31, 2007

GSA3	Wholesale	Non-Migration Capacity Release	Local Production Savings	Conoco Phillips Optimization	Joint Optimization	Affordable Energy	Total GCIM Adjustment
Sep 06							
Oct 06							
Nov 06							
Dec 06							
Jan 07							
Feb 07							
Mar 07							
Apr 07							
May 07							
Jun 07							
Jul 07							
Aug 07							
Total							

Note

Total Gas Expense is adjusted only for the Shareholder Share of Savings.

REDACTED

New York State Electric & Gas Corporation
ISS / NGV Commodity Costs
12 months ending August 31, 2007

GSA 3
 Exhibit 1
 Page 3 of 3

GSA3	Interruptible Sales SC-3S - PSC 87			Natural Gas Vehicles Sales SC-4S - PSC 87		
	ISS BT	ISS	ISS CG	NGV BT	NGV	NGV CG
	Dth	Revenue	Dth	Dth	Revenue	Dth
Sep 06	5,109		5,122	0	\$ -	0
Oct 06	12,254		12,286	0	\$ -	0
Nov 06	9,411		9,435	0	\$ -	0
Dec 06	13,229		13,263	0	\$ -	0
Jan 07	21,691		21,747	0	\$ -	0
Feb 07	18,284		18,331	0	\$ -	0
Mar 07	12,666		12,699	0	\$ -	0
Apr 07	9,801		9,826	0	\$ -	0
May 07	7,179		7,198	0	\$ -	0
Jun 07	5,749		5,764	0	\$ -	0
Jul 07	7,534		7,553	0	\$ -	0
Aug 07	5,735		5,750	0	\$ -	0
Total	128,642		128,974	0	\$ -	0

New York State Electric & Gas Corporation
GSC Revenues
12 months ending August 31, 2007

GSA 3
Exhibit 2
Page 1 of 3

GSA3	Billed		SC-1 GSC	Billed		SC-2 GSC	Billed		SC-5 GSC	Total Net	
	SC-1			SC-2			SC-5				Billed GSC
	Sales Dth	Revenues		Sales Dth	Revenues		Sales Dth	Revenues			Revenues
Sep 06	58,029	\$	559,774	11,381	\$	111,231	0	\$	-	\$ 671,005	
Oct 06	89,718	\$	769,251	21,242	\$	184,875	0	\$	-	\$ 954,126	
Nov 06	214,897	\$	2,009,992	43,219	\$	401,006	0	\$	-	\$ 2,410,997	
Dec 06	285,198	\$	2,888,407	72,684	\$	733,870	0	\$	-	\$ 3,622,277	
Jan 07	357,484	\$	3,370,282	84,186	\$	791,747	0	\$	-	\$ 4,162,029	
Feb 07	488,131	\$	4,692,116	111,941	\$	1,073,124	0	\$	-	\$ 5,765,241	
Mar 07	428,751	\$	4,445,834	118,210	\$	1,227,338	0	\$	-	\$ 5,673,172	
Apr 07	303,861	\$	3,154,070	81,666	\$	845,391	0	\$	-	\$ 3,999,461	
May 07	170,980	\$	1,756,374	34,919	\$	361,100	0	\$	-	\$ 2,117,474	
Jun 07	86,209	\$	923,310	15,275	\$	167,536	0	\$	-	\$ 1,090,846	
Jul 07	50,860	\$	540,680	6,866	\$	72,017	0	\$	-	\$ 612,698	
Aug 07	43,256	\$	441,437	9,989	\$	101,275	0	\$	-	\$ 542,712	
Total	2,577,372	\$	25,551,528	611,577	\$	6,070,510	0	\$	-	\$ 31,622,038	

New York State Electric & Gas Corporation
Balancing / Reservation of Sales Status / Transition Surcharge Revenues
12 months ending August 31, 2007

GSA 3
Exhibit 2
Page 2 of 3

Other Revenues

GSA3	Daily Metered		Non-Daily Metered		Total 1/	Standby Demand 1/	Reservation of Sales Status Revenues	Transition Surcharge Revenues
	Balancing Demand		Balancing Demand					
Sep 06	\$ 9,695	\$ 6,810	\$ 6,810	\$ 16,505	\$ 1,244	\$ 1,600	\$ 51,339	\$
Oct 06	\$ 10,851	\$ 6,870	\$ 6,870	\$ 17,721	\$ 1,240	\$ 2,845	\$ 62,940	\$
Nov 06	\$ 12,221	\$ 6,753	\$ 6,753	\$ 18,974	\$ 1,272	\$ 3,726	\$ 89,518	\$
Dec 06	\$ 11,367	\$ 6,831	\$ 6,831	\$ 18,198	\$ 1,267	\$ 4,324	\$ 131,750	\$
Jan 07	\$ 10,862	\$ 7,277	\$ 7,277	\$ 18,139	\$ 1,268	\$ 5,719	\$ 171,012	\$
Feb 07	\$ 11,135	\$ 8,518	\$ 8,518	\$ 19,653	\$ 1,258	\$ 6,457	\$ 208,418	\$
Mar 07	\$ 11,774	\$ 8,783	\$ 8,783	\$ 20,557	\$ 1,261	\$ 5,052	\$ 183,873	\$
Apr 07	\$ 9,802	\$ 8,335	\$ 8,335	\$ 18,137	\$ 1,265	\$ 3,698	\$ 116,875	\$
May 07	\$ 9,254	\$ 8,119	\$ 8,119	\$ 17,373	\$ 1,291	\$ 2,129	\$ 63,842	\$
Jun 07	\$ 6,502	\$ 8,159	\$ 8,159	\$ 14,661	\$ 1,307	\$ 1,386	\$ 20,876	\$
Jul 07	\$ 5,701	\$ 9,763	\$ 9,763	\$ 15,464	\$ 1,314	\$ 1,252	\$ 18,807	\$
Aug 07	\$ 7,501	\$ 10,015	\$ 10,015	\$ 17,516	\$ 1,322	\$ 1,223	\$ 34,341	\$
Total	\$ 116,666	\$ 96,232	\$ 96,232	\$ 212,898	\$ 15,309	\$ 39,411	\$ 1,153,591	\$

Note 1/

Represents daily metered, non-daily metered and standby demand charges recorded in other revenue. These other revenues do not include standby commodity and cash-out revenues which are accounted for in Total Gas Expense as shown on Exhibit 1.

New York State Electric & Gas Corporation
 Prior Year Reconciliation Revenues
 12 months ending August 31, 2007

GSA3	Prior Year Adj.	
	in GSC	Revenues
Sep 06	\$	36,101
Oct 06	\$	74,900
Nov 06	\$	99,635
Dec 06	\$	155,734
Jan 07	\$	273,614
Feb 07	\$	290,173
Mar 07	\$	245,028
Apr 07	\$	145,778
May 07	\$	62,045
Jun 07	\$	24,800
Jul 07	\$	22,192
Aug 07	\$	47,407
Total	\$	1,477,406

New York State Electric and Gas
Over/Under Collection of 2004-2005 Annual Reconciliation Adjustment

GSA 3
Exhibit 3
Page 1 of 2

Billed Therms:					Total	Unbilled	Unbilled	Unbilled Reversal	Unbilled Reversal	Residential	Non-Residential	Non-Res	Annual	Over (Under) Collection	
GSA3	SC-1	SC-2	SC-5		Sales Therms	SC-1	SC-2	SC-1	SC-2	Dth	Dth	Only	Reconciliation	Balance	
	Sales Therms	Sales Therms	Sales Therms										Revenue	\$ (1,275,578)	
Jan 06	3,630,207	957,000	0	0	4,587,207	2,948,957	742,606	(2,948,957)	(742,606)	3,630,207	957,000	\$	0.0366	167,882	\$ (1,107,686)
Feb 06	5,220,615	1,143,880	0	0	6,364,495	1,403,369	423,871	(2,948,957)	(742,606)	3,675,027	825,145	\$	0.0366	164,706	\$ (942,980)
Mar 06	4,162,874	1,023,876	0	0	5,186,750	797,929	238,713	(1,403,369)	(423,871)	3,557,434	838,718	\$	0.0366	160,899	\$ (782,087)
Apr 06	3,068,579	722,064	0	0	3,780,643	686,998	162,752	(797,929)	(238,713)	2,957,648	666,103	\$	0.0366	132,629	\$ (649,451)
May 06	1,448,731	299,881	0	0	1,748,612	(7,856)	(2,676)	(686,998)	(162,752)	743,877	114,453	\$	0.0366	31,415	\$ (618,037)
Jun 06	829,913	248,196	0	0	1,078,109	(338,377)	(134,869)	7,856	2,676	499,392	116,003	\$	0.0366	22,523	\$ (595,513)
Jul 06	589,556	174,052	0	0	763,608	(412,340)	(178,766)	338,377	134,869	515,593	130,155	\$	0.0366	23,634	\$ (571,879)
Aug 06	405,206	135,907	0	0	541,113	(309,356)	(170,718)	412,340	178,766	508,210	143,955	\$	0.0366	23,869	\$ (548,010)
Sep 06	580,289	113,805	0	0	694,094	209,804	102,812	(13,912)	(5,443)	776,181	210,174	\$	0.0366	36,101	\$ (511,909)
Oct 06	897,175	212,421	0	0	1,109,596	883,624	365,848	(209,804)	(102,812)	1,570,995	475,457	\$	0.0366	74,900	\$ (437,009)
Nov 06	2,148,967	432,188	0	0	2,581,155	1,067,278	323,294	(883,624)	(365,848)	2,332,821	389,634	\$	0.0366	96,635	\$ (337,374)
Dec 06	2,851,980	726,835	0	0	3,578,815	1,560,402	506,389	(1,067,278)	(323,294)	3,345,104	909,930	\$	0.0366	155,734	\$ (181,640)
Total	25,624,092	6,190,105	0		32,014,197	8,500,452	2,399,256	(10,212,255)	(2,612,634)	24,112,289	5,776,727		\$ 1,093,938		
													Interest 1/07 - 8/07	\$ (7,382)	
													Balance	\$ (189,022)	

New York State Electric and Gas
Over/Under Collection of 2005-2006 Annual Reconciliation Adjustment

Billed Therms:										Over (Under) Collection Balance			
GSA3	SC-1 Sales Therms	SC-2 Sales Therms	SC-5 Sales Therms	Total Sales Therms	Unbilled SC-1	Unbilled SC-2	Unbilled Reversal SC-1	Unbilled Reversal SC-2	Residential Dth	Non-Residential Dth	Non-Rts Only	Annual Reconciliation Revenue	
Jan 07	3,574,835	841,859	0	4,416,694	2,410,635	668,306	(1,560,402)	(506,389)	4,425,068	1,003,776	\$	273,614	\$(1,725,792)
Feb 07	4,881,309	1,119,406	0	6,000,715	2,228,429	607,195	(2,410,635)	(668,306)	4,698,103	1,058,295	\$	290,173	\$(1,462,176)
Mar 07	4,287,511	1,182,097	0	5,469,608	1,709,164	518,526	(2,228,425)	(607,195)	3,768,246	1,033,428	\$	245,028	\$(1,62,005)
Apr 07	3,038,606	816,659	0	3,855,265	988,978	295,863	(1,709,164)	(516,326)	2,296,420	593,996	\$	143,778	\$(916,377)
May 07	1,709,785	348,193	0	2,058,988	333,890	103,013	(968,978)	(295,863)	1,074,707	156,343	\$	62,045	\$(771,199)
Jun 07	852,091	152,753	0	1,004,844	(56,140)	(29,742)	(333,890)	(103,013)	472,081	19,998	\$	24,800	\$(709,154)
Jul 07	508,601	68,661	0	577,262	(167,347)	(55,480)	(56,140)	29,742	397,394	42,923	\$	22,192	\$(684,355)
Aug 07	432,559	99,889	0	532,448	146,327	39,022	167,347	55,480	746,233	194,391	\$	47,407	\$(614,755)
Sep 07	595,042	136,913	0	731,954					595,042	136,913	\$	36,890	\$(577,865)
Oct 07	1,630,472	459,405	0	2,089,877					1,630,472	459,405	\$	105,330	\$(472,535)
Nov 07	2,792,440	521,764	0	3,314,204					2,792,440	521,764	\$	167,036	\$(305,499)
Dec 07	3,945,863	1,001,102	0	4,946,965					3,945,863	1,001,102	\$	249,327	\$(56,172)
Total	28,259,124	6,749,700	0	35,008,824	7,570,936	2,146,703	(8,988,011)	(2,614,070)	26,845,049	6,282,333	\$	1,589,820	

Note: Sep07 through Dec07 Estimated

New York State Electric & Gas Corporation
Computation of Estimated Interest Applicable on Refund/(Surcharge) Principal
September 2007 through December 2008

GSA 3
Exhibit 4
Page 1 of 1

GSA3	Forecasted Therm Firm Sales	Estimated Refund of Principal @ \$0.013981	Declining Principal			Interest On Average Balance*
			Beginning	Ending	Average	
Sep-07			\$ 513,597	\$ 513,597	\$ 513,597	\$ 2,311
Oct-07			\$ 513,597	\$ 513,597	\$ 513,597	\$ 2,311
Nov-07			\$ 513,597	\$ 513,597	\$ 513,597	\$ 2,311
Dec-07			\$ 513,597	\$ 513,597	\$ 513,597	\$ 2,311
Jan-08	5,909,836	\$ 82,627	\$ 457,425	\$ 374,798	\$ 416,111	\$ 1,911
Feb-08	5,506,927	\$ 76,994	\$ 374,798	\$ 297,804	\$ 336,301	\$ 1,544
Mar-08	4,788,824	\$ 66,954	\$ 297,804	\$ 230,851	\$ 264,327	\$ 1,214
Apr-08	1,958,206	\$ 27,378	\$ 230,851	\$ 203,472	\$ 217,161	\$ 997
May-08	1,146,423	\$ 16,028	\$ 203,472	\$ 187,444	\$ 195,458	\$ 897
Jun-08	617,643	\$ 8,635	\$ 187,444	\$ 178,809	\$ 183,126	\$ 841
Jul-08	760,924	\$ 10,639	\$ 178,809	\$ 168,170	\$ 173,489	\$ 797
Aug-08	761,016	\$ 10,640	\$ 168,170	\$ 157,530	\$ 162,850	\$ 748
Sep-08	683,699	\$ 9,559	\$ 157,530	\$ 147,971	\$ 152,750	\$ 701
Oct-08	2,237,967	\$ 31,290	\$ 147,971	\$ 116,681	\$ 132,326	\$ 608
Nov-08	3,196,683	\$ 44,694	\$ 116,681	\$ 71,988	\$ 94,335	\$ 433
Dec-08	5,148,889	\$ 71,988	\$ 71,988	\$ 0	\$ 35,994	\$ 165
Total	32,717,038	\$ 457,425				\$ 20,100

	<u>1/06-12/06</u>	<u>1/07-12/07</u>	<u>1/08-12/08</u>
*Interest Rates:	4.75%	5.40%	5.51%
Monthly	0.3958%	0.4500%	0.4592%

New York State Electric & Gas Corporation
LAUF Calculation
12 months ending August 31, 2007

GSA 1, 2 & 3
Exhibit 5
Page 1 of 9

Gas Delivered for the 12 months ended August 31, 2007

(Exhibit 5 - pages 2 & 3)

	Firm Billed Dth	ISS Dth	NGV Dth	Daily Metered Dth	Non-Daily Dth	System Throughput Dth
GSA1	17,363,634	1,365,640	79	13,616,188	2,468,844	34,814,386
GSA2	9,317,932	364,343	288	4,336,969	1,872,879	15,892,411
GSA3	3,188,948	128,642	0	1,075,159	294,100	4,686,849
	29,870,514	1,858,625	367	19,028,316	4,635,824	55,393,646
						55,393,646

Gas Received for the 12 months ended August 31, 2007

(Exhibit 5 - Page 4)

	Throughput, Dth	Less Company Use	Gas Into System Dth
GSA1	34,960,124	16,611	34,943,513
GSA2	15,726,529	20,011	15,706,518
GSA3	4,893,608	6,970	4,886,638
	55,580,261	43,592	55,536,669

System LAUF for 12 months ended August 31, 2007

1.00258

Tariffed LAUF

1.00700

Difference - Company Savings/(Company Loss)

0.00442

New York State Electric & Gas Corporation
12 Months Firm Billed Sales Used For
LAUF Calculation
12 months ending August 31, 2007

GSA 1, 2 & 3

Exhibit 5
Page 2 of 9

GSA1	SC-1 Sales Dth	SC-2 Sales Dth	SC-5 Sales Dth	12 Month Firm Billed Sales Dth
Sep 06	274,581	102,620	590	377,791
Oct 06	446,475	137,325	5	583,805
Nov 06	1,016,012	383,291	0	1,399,303
Dec 06	1,365,643	553,355	0	1,918,998
Jan 07	1,714,104	705,782	0	2,419,887
Feb 07	2,327,468	907,944	0	3,235,412
Mar 07	2,029,047	920,785	0	2,949,832
Apr 07	1,460,263	695,009	0	2,155,272
May 07	812,094	299,826	264	1,112,184
Jun 07	424,851	201,643	311	626,805
Jul 07	266,710	77,215	263	344,187
Aug 07	207,470	32,412	276	240,158
Total	12,344,720	5,017,206	1,709	17,363,634

GSA2	SC-1 Sales Dth	SC-2 Sales Dth	SC-5 Sales Dth	SC-9 Sales Dth	12 Month Firm Billed Sales Dth
Sep 06	170,876	43,953	806	2,465	218,100
Oct 06	263,816	66,108	652	1,991	332,567
Nov 06	610,349	152,420	0	2,774	765,542
Dec 06	785,022	264,243	0	3,349	1,052,613
Jan 07	996,965	322,542	0	3,405	1,322,913
Feb 07	1,331,854	426,021	0	4,687	1,762,561
Mar 07	1,060,905	426,958	0	4,761	1,492,625
Apr 07	863,217	330,117	0	3,652	1,196,986
May 07	378,604	144,475	264	2,906	526,249
Jun 07	262,858	71,005	800	2,188	336,851
Jul 07	144,895	34,225	857	2,101	182,078
Aug 07	103,922	22,760	804	1,360	128,847
Total	6,973,282	2,304,827	4,184	35,639	9,317,932

GSA3	SC-1 Sales Dth	SC-2 Sales Dth	SC-5 Sales Dth	12 Month Firm Billed Sales Dth
Sep 06	58,029	11,381	0	69,409
Oct 06	89,718	21,242	0	110,960
Nov 06	214,897	43,219	0	258,116
Dec 06	285,198	72,684	0	357,882
Jan 07	357,484	84,186	0	441,669
Feb 07	488,131	111,941	0	600,072
Mar 07	428,751	118,210	0	546,961
Apr 07	303,861	81,666	0	385,527
May 07	170,980	34,919	0	205,899
Jun 07	86,209	15,275	0	101,484
Jul 07	50,860	6,866	0	57,726
Aug 07	43,256	9,989	0	53,245
Total	2,577,372	611,577	0	3,188,948

Total All Areas

29,870,514

New York State Electric & Gas Corporation
12 Months ISS / NGV / Daily Metered / Non-Daily
LAUF Calculation
12 months ending August 31, 2007

GSA 1, 2 & 3
Exhibit 5
Page 3 of 9

GSA1	ISS Dth	NGV Dth	Daily Metered Dth	Non-Daily Dth	12 Month Total Dth
Sep 06	98,881	3	846,982	55,187	1,001,053
Oct 06	129,667	0	1,107,562	85,393	1,322,622
Nov 06	126,808	14	1,124,416	160,012	1,411,250
Dec 06	143,649	0	1,305,254	219,129	1,668,032
Jan 07	163,839	0	1,600,565	282,569	2,046,973
Feb 07	157,648	0	1,612,281	441,603	2,211,532
Mar 07	135,842	31	1,501,838	453,128	2,090,839
Apr 07	122,335	15	1,200,836	346,651	1,669,837
May 07	98,690	6	911,498	177,902	1,188,096
Jun 07	37,038	4	769,013	100,843	906,898
Jul 07	128,556	6	795,264	176,191	1,100,017
Aug 07	22,687	0	840,679	(29,765)	833,601
Total	1,365,640	79	13,616,188	2,468,844	17,450,751

GSA2	ISS Dth	NGV Dth	Daily Metered Dth	Non-Daily Dth	12 Month Total Dth
Sep 06	31,692	0	327,656	51,523	410,871
Oct 06	32,484	0	368,063	72,826	473,373
Nov 06	47,695	13	357,550	140,077	545,335
Dec 06	31,378	0	374,729	163,814	569,921
Jan 07	37,046	0	420,066	206,248	663,360
Feb 07	20,212	0	367,603	344,952	732,767
Mar 07	23,985	53	420,306	326,208	770,552
Apr 07	55,410	41	349,422	238,651	643,524
May 07	34,828	34	321,037	123,824	479,723
Jun 07	15,664	45	335,144	67,837	418,690
Jul 07	15,806	48	336,149	72,932	424,935
Aug 07	18,143	54	359,244	63,988	441,429
Total	364,343	288	4,336,969	1,872,879	6,574,479

GSA3	ISS Dth	NGV Dth	Daily Metered Dth	Non-Daily Dth	12 Month Total Dth
Sep 06	5,109	0	59,374	5,638	70,121
Oct 06	12,254	0	92,910	9,422	114,586
Nov 06	9,411	0	95,472	21,551	126,434
Dec 06	13,229	0	101,311	28,662	143,202
Jan 07	21,691	0	126,548	33,378	181,617
Feb 07	18,284	0	135,679	57,001	210,964
Mar 07	12,666	0	122,927	53,740	189,333
Apr 07	9,801	0	102,426	38,888	151,115
May 07	7,179	0	74,036	18,830	100,045
Jun 07	5,749	0	56,948	11,455	74,152
Jul 07	7,534	0	48,114	9,510	65,158
Aug 07	5,735	0	59,414	6,024	71,173
Total	128,642	0	1,075,159	294,100	1,497,901

Total All Areas

25,523,132

New York State Electric & Gas Corporation
12 Months Gas Received
LAUF Calculation
12 months ending August 31, 2007

GSA 1, 2 & 3
Exhibit 5
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GSA1				12 Month
	Throughput, Dth	Pratts, Rush, Wall	Less Company Use	Total Dth
Sep 06	1,462,976	10,000	(67)	1,473,043
Oct 06	2,506,535	22,938	288	2,529,185
Nov 06	2,988,841	23,892	1,519	3,011,214
Dec 06	3,939,053	38,921	2,077	3,975,897
Jan 07	4,980,931	54,870	2,312	5,033,489
Feb 07	5,485,953	58,433	3,391	5,540,995
Mar 07	4,470,749	41,945	2,868	4,509,826
Apr 07	3,195,042	33,363	159	3,228,246
May 07	1,753,458	13,894	2,241	1,765,111
Jun 07	1,283,006	7,355	1,341	1,289,020
Jul 07	1,269,150	7,803	179	1,276,774
Aug 07	1,299,461	11,555	303	1,310,713
Total	34,635,155	324,969	16,611	34,943,513

GSA2				
Sep 06	646,877		61	646,816
Oct 06	1,153,387		320	1,153,067
Nov 06	1,404,001		1,430	1,402,571
Dec 06	1,812,585		2,093	1,810,492
Jan 07	2,243,063		2,914	2,240,149
Feb 07	2,451,342		4,089	2,447,253
Mar 07	1,968,700		3,897	1,964,803
Apr 07	1,465,938		2,556	1,463,382
May 07	789,778		1,876	787,902
Jun 07	590,732		488	590,244
Jul 07	591,280		(377)	591,657
Aug 07	608,846		664	608,182
Total	15,726,529		20,011	15,706,518

GSA3				
Sep 06	164,760	(10,000)	(500)	155,260
Oct 06	385,693	(22,938)	29	362,726
Nov 06	463,194	(23,892)	276	439,026
Dec 06	623,412	(38,921)	1,421	583,070
Jan 07	807,894	(54,870)	1,042	751,982
Feb 07	914,416	(58,433)	2,772	853,211
Mar 07	701,565	(41,945)	1,711	657,909
Apr 07	504,281	(33,363)	0	470,918
May 07	230,485	(13,894)	5	216,586
Jun 07	145,879	(7,355)	214	138,310
Jul 07	135,280	(7,803)	0	127,477
Aug 07	141,718	(11,555)	0	130,163
Total	5,218,577	(324,969)	6,970	4,886,638

Total All Areas 55,536,669

New York State Electric & Gas Corporation
Gain / Loss on Lost and Unaccounted for Gas
12 months ending August 31, 2007

GSA 1, 2 & 3
Exhibit 5
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GSA1

Firm Purchased Gas Delivered	17,376,154	Dth
Calculated Purchases	<u>17,485,180</u>	
Difference	(109,026)	
Transportation LAUF	<u>71,065</u>	Dth
Losses (Below)/Above Allowed	(37,961)	Dth
Firm Purchased Gas Expense	\$ 137,483,367	
Adjusted Dth Purchased	<u>17,447,218</u>	Dth
Average Commodity Cost of Gas	\$ 7.880	
Gas Cost (Gain)/Loss	\$ (299,133)	/Dth

GSA2

Firm Purchased Gas Delivered	9,108,553	Dth
Calculated Purchases	<u>9,383,157</u>	
Difference	(274,605)	
Transportation LAUF	<u>27,435</u>	Dth
Losses (Below)/Above Allowed	(247,169)	Dth
Firm Purchased Gas Expense	\$ 71,687,727	
Adjusted Dth Purchased	<u>9,135,988</u>	Dth
Average Commodity Cost of Gas	\$ 7.847	
Gas Cost (Gain)/Loss	\$ (1,939,473)	/Dth

GSA3

Firm Purchased Gas Delivered	3,123,073	Dth
Calculated Purchases	<u>3,211,271</u>	
Difference	(88,198)	
Transportation LAUF	<u>6,049</u>	Dth
Losses (Below)/Above Allowed	(82,149)	Dth
Firm Purchased Gas Expense	\$ 22,822,591	
Adjusted Dth Purchased	<u>3,129,122</u>	Dth
Average Commodity Cost of Gas	\$ 7.294	
Gas Cost (Gain)/Loss	\$ (599,161)	/Dth

GSA1

Calculation of Transportation Receipts:

Actual Transportation Dth	16,085,032	
Tariff LAUF Factor	<u>1.007</u>	
Transportation Receipts, Dth		16,197,628

Calculation of Actual Transportation Requirements:

Actual Transportation, Dth	16,085,032	
System Loss Factor	<u>1.0026</u>	
Total Transportation Requirement		16,126,563

Calculation of Transportation LAUF Variance:

Transportation Receipts, Dth	16,197,628	
Actual Transportation Requirements	<u>16,126,563</u>	
Gas (sold to Transportation Customers) bought by GSC Customers		71,065

GSA2

Calculation of Transportation Receipts:

Actual Transportation Dth	6,209,848	
Tariff LAUF Factor	<u>1.007</u>	
Transportation Receipts, Dth		6,253,317

Calculation of Actual Transportation Requirements:

Actual Transportation, Dth	6,209,848	
System Loss Factor	<u>1.0026</u>	
Total Transportation Requirement		6,225,882

Calculation of Transportation LAUF Variance:

Transportation Receipts, Dth	6,253,317	
Actual Transportation Requirements	<u>6,225,882</u>	
Gas (sold to Transportation Customers) bought by GSC Customers		27,435

GSA3

Calculation of Transportation Receipts:

Actual Transportation Dth	1,369,259	
Tariff LAUF Factor	<u>1.007</u>	
Transportation Receipts, Dth		1,378,844

Calculation of Actual Transportation Requirements:

Actual Transportation, Dth	1,369,259	
System Loss Factor	<u>1.0026</u>	
Total Transportation Requirement		1,372,794

Calculation of Transportation LAUF Variance:

Transportation Receipts, Dth	1,378,844	
Actual Transportation Requirements	<u>1,372,794</u>	
Gas (sold to Transportation Customers) bought by GSC Customers		6,049

GSA1	Advice CG, Dth	ISS CG Dth	NGV CG Dth	Firm CG Delivered Volume, Dth
Sep 06	540,655	(99,136)	(3)	441,516
Oct 06	1,307,807	(130,002)	0	1,177,805
Nov 06	1,664,920	(127,135)	(14)	1,537,771
Dec 06	2,349,852	(144,020)	0	2,205,842
Jan 07	3,061,188	(164,262)	0	2,896,926
Feb 07	3,390,196	(158,055)	0	3,232,141
Mar 07	2,579,574	(136,193)	(31)	2,443,350
Apr 07	1,836,176	(122,651)	(15)	1,713,510
May 07	745,764	(98,945)	(6)	646,813
Jun 07	448,891	(37,134)	(4)	411,753
Jul 07	394,281	(128,888)	(6)	265,387
Aug 07	426,085	(22,746)	0	403,339
Total	18,745,399	(1,369,166)	(79)	17,376,154

GSA2	Advice CG, Dth	ISS CG Dth	NGV CG Dth	Firm CG Delivered Volume, Dth
Sep 06	257,872	(31,774)	0	226,098
Oct 06	673,778	(32,568)	0	641,210
Nov 06	881,860	(47,818)	(13)	834,029
Dec 06	1,232,910	(31,459)	0	1,201,451
Jan 07	1,566,740	(37,142)	0	1,529,598
Feb 07	1,674,152	(20,264)	0	1,653,888
Mar 07	1,264,652	(24,047)	(53)	1,240,552
Apr 07	961,558	(55,553)	(41)	905,964
May 07	378,922	(34,918)	(34)	343,970
Jun 07	192,056	(15,704)	(45)	176,306
Jul 07	184,376	(15,847)	(48)	168,481
Aug 07	205,249	(18,190)	(54)	187,005
Total	9,474,125	(365,284)	(289)	9,108,553

GSA3	Advice CG, Dth	ISS CG Dth	NGV CG Dth	Firm CG Delivered Volume, Dth
Sep 06	77,754	(5,122)	0	72,632
Oct 06	235,465	(12,286)	0	223,179
Nov 06	298,821	(9,435)	0	289,386
Dec 06	428,620	(13,263)	0	415,357
Jan 07	543,733	(21,747)	0	521,986
Feb 07	601,234	(18,331)	0	582,903
Mar 07	445,359	(12,699)	0	432,660
Apr 07	318,621	(9,826)	0	308,795
May 07	116,556	(7,198)	0	109,358
Jun 07	64,946	(5,764)	0	59,182
Jul 07	63,078	(7,553)	0	55,525
Aug 07	57,860	(5,750)	0	52,110
Total	3,252,047	(128,974)	0	3,123,073

New York State Electric & Gas Corporation
Calculation of Available GCIM Savings
12 months ending August 31, 2007

REDACTED
GSA 1, 2 & 3
Exhibit 6
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April 1, 2006 through March 31, 2007 (\$000) Estimated

	GCIM 1	%	GCIM 2	%	Total	Alliance	%	Total	%
Total	\$6,458.2					(\$864.0)			
Customer	\$5,166.5	80.00%		56.25%		(\$486.0)	56.25%		73.32%
Shareholder	\$1,291.6	20.00%		43.75%		(\$378.0)	43.75%		26.68%

April 1, 2006 through August 31, 2006 (\$000) Estimate from October 15, 2006 Annual Reconciliation Filing*

	GCIM 1	%	GCIM 2	%	Total	Alliance	%	Total	%
Total	\$4,365.9				\$4,877.8	(\$294.6)			
Customer	\$3,492.7	80.00%		56.25%	\$3,780.6	(\$165.7)	56.25%		77.97%
Shareholder	\$873.2	20.00%		43.75%	\$1,097.1	(\$128.9)	43.75%		22.03%

Net April 1, 2006 through March 31, 2007 Adjustment for October 15, 2007 Annual Reconciliation Filing

	GCIM 1	%	GCIM 2	%	Total	Alliance	%	Total	%
Total	\$2,092.3					(\$569.4)			
Customer	\$1,673.8	80.00%		56.25%		(\$320.3)	56.25%		67.54%
Shareholder	\$418.4	20.00%		43.75%		(\$249.1)	43.75%		32.46%

April 1, 2007 through August 31, 2007 (\$000)

	GCIM 1	%	GCIM 2	%	Total	Alliance	%	Total	%
Total	\$1,334.7					(\$81.8)			
Customer	\$1,067.8	80.00%		56.25%		(\$46.0)	56.25%		81.55%
Shareholder	\$266.9	20.00%		43.75%		(\$35.8)	43.75%		18.45%

NOTE: Savings from the Alliance for April 1, 2006 through August 31, 2007 are estimated.

* Local Production Savings included from 1/1/2005 through 8/31/2006

Migration Capacity Release Savings
September 1, 2006 through August 31, 2007

	GCIM 1	%	GCIM 2	%	Total	Alliance	%	Total	%
Total	\$1,890.6				\$1,890.6	\$0.0		\$1,890.6	
Customer	\$1,890.6	100.00%		0.00%	\$1,890.6	\$0.0	0.00%	\$1,890.6	100.00%
Shareholder	\$0.0	0.00%		0.00%	\$0.0	\$0.0	0.00%	\$0.0	0.00%

Total GCIM Savings
September 1, 2006 through August 31, 2007

	GCIM 1	GCIM 2	Total	Alliance	Total
Total	\$5,317.6			(\$651.2)	
Customer	\$4,632.2			(\$366.3)	
Shareholder	\$685.3			(\$284.9)	

New York State Electric & Gas Corporation
Calculation of Available GCIM Savings
April 1, 2006 through August 31, 2007 (\$000)

GSA 1, 2 & 3
Exhibit 6
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Optimization Category	Asset Type	Category	ESTIMATED 4/1/06 through 3/31/07*		ESTIMATED 4/1/07 to 8/31/07	
			GCIM 1	GCIM 2	GCIM 1	GCIM 2
Capacity Release	NYSEG Only Assets	NYSEG - Alliance NYSEG - Other Pre 11/2/95 Capacity Release	\$346.7 \$300.3 \$81.5		\$194.8 \$4.9	
Local Production	NYSEG Only Assets	Local Production Savings	\$2,866.8		\$321.8	
Conoco Phillips	NYSEG Only Assets	Conoco-Phillips Utilization	\$1,274.6		\$0.0	
Transport	NYSEG Only Assets	DTI Delivered Sales TCO Delivered Sales Nyseg Waddington for Northpool Swap Alternative Supply for DTI Gates	\$0.0 \$25.6 \$1,541.8 \$21.0			
Transport	Joint Assets	AGT 3rd Party Sales TGP Z1 thru Z5 Off-System Sales Daily Asset Optimization Gulf Coast TGP Optimization Iroquois Sales InfoAGT via Mahwah vs. M3 PPA	\$0.0 \$0.0 \$0.0 \$0.0 \$0.0 \$0.0 \$0.0			
Storage	Joint Assets	Deferred Storage Buying Current Day Cash/Selling Futures	\$0.0 \$0.0			
Inventory	Joint Assets	EEA Inventory/Imbalance	\$0.0			
Alliance GCIM			\$1,935.0		\$818.1	
Non-Alliance GCIM			\$4,523.2		\$516.6	
Total GCIM			\$6,458.2		\$1,334.7	

NOTE: Alliance Savings from April 1, 2006 through August 31, 2006 are estimated.
*Local Production Savings included from January 1, 2005 through March 31, 2007.

New York State Electric & Gas Corporation
Merchant Function Charge Reconciliation
10 months ending June 30, 2007

GSA 1, 2 & 3
Exhibit 7
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Uncollectibles:	\$	3,653,355
SICC:	\$	4,199,102
A&G Costs	\$	373,786
Adder	\$	247,887
Total MFC Dollars	\$	8,474,129
Total MFC Revenues	\$	9,979,060
Over / (Under) MFC Collection	\$	1,504,931
GSA1	\$	872,860
GSA2	\$	466,529
GSA3	\$	165,542

Calculation of Uncollectibles:

GSC Revenues 10 Mo Ending June 2007	\$	259,685,400
<u>Uncollectible Percentage</u>		<u>1.41%</u>
Adjusted Level of Uncollectibles	\$	3,653,355

Calculation of Storage Inventory Carrying Costs:

Storage Inventory	\$	36,513,929
<u>Pre-Tax ROR</u>		<u>11.5%</u>
Carrying Costs	\$	4,199,102

New York State Electric & Gas Corporation
Merchant Function Charge Reconciliation
10 months ending June 30, 2007

GSA 1, 2 & 3
Exhibit 7
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MFC Revenues:

GSA1	Total Sales Therms	58% MFC Revenue
Jul 06		
Aug 06		
Sep 06	3,777,908	\$ 136,174
Oct 06	5,838,047	\$ 203,762
Nov 06	13,993,028	\$ 483,598
Dec 06	19,189,984	\$ 662,468
Jan 07	24,198,865	\$ 835,092
Feb 07	32,354,124	\$ 1,116,546
Mar 07	29,498,323	\$ 1,017,965
Apr 07	21,552,720	\$ 746,375
May 07	11,121,844	\$ 383,941
Jun 07	6,268,053	\$ 216,882
Total	167,792,896	\$ 5,802,804

GSA2	Total Sales Therms	31% MFC Revenue
Jul 06		
Aug 06		
Sep 06	2,180,999	\$ 76,802
Oct 06	3,325,670	\$ 115,409
Nov 06	7,655,424	\$ 264,356
Dec 06	10,526,133	\$ 363,338
Jan 07	13,229,126	\$ 456,420
Feb 07	17,625,612	\$ 608,244
Mar 07	14,926,248	\$ 514,944
Apr 07	11,959,858	\$ 414,130
May 07	5,262,494	\$ 181,550
Jun 07	3,368,507	\$ 116,476
Total	90,070,071	\$ 3,111,669

GSA3	Total Sales Therms	11% MFC Revenue
Jul 06		
Aug 06		
Sep 06	694,094	\$ 24,777
Oct 06	1,109,596	\$ 38,373
Nov 06	2,581,155	\$ 89,220
Dec 06	3,578,815	\$ 123,518
Jan 07	4,416,694	\$ 152,409
Feb 07	6,000,715	\$ 206,996
Mar 07	5,469,608	\$ 188,705
Apr 07	3,855,265	\$ 134,492
May 07	2,058,988	\$ 71,032
Jun 07	1,014,844	\$ 35,065
Total	30,779,774	\$ 1,064,586

New York State Electric & Gas Corporation
Merchant Function Charge Reconciliation
10 months ending June 30, 2007

GSA 1, 2 & 3
Exhibit 7
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Total MFC Revenues:		100%
Total		MFC
Sales Therms		Revenue
Jul 06	0	\$ -
Aug 06	0	\$ -
Sep 06	6,653,001	\$ 237,753
Oct 06	10,273,313	\$ 357,544
Nov 06	24,229,607	\$ 837,174
Dec 06	33,294,932	\$ 1,149,324
Jan 07	41,844,685	\$ 1,443,921
Feb 07	55,980,451	\$ 1,931,786
Mar 07	49,894,179	\$ 1,721,614
Apr 07	37,377,843	\$ 1,294,997
May 07	18,443,326	\$ 636,523
Jun 07	10,651,404	\$ 368,423
Total	288,642,741	\$ 9,979,060

Storage Inventory Carrying Costs:

	Dominion - GSS	Seneca Lake	Columbia - FSS	Dominion - GSS	Tennessee - FSMA	Total
Jul 06	\$ 24,601,681	\$ 2,680,272	\$ 15,064,173	\$ 1,062,755	\$ 3,787,080	\$ 47,195,961
Aug 06	\$ 29,310,814	\$ 4,095,105	\$ 20,505,254	\$ 1,416,094	\$ 4,715,940	\$ 60,043,207
Sep 06	\$ 34,338,357	\$ 4,183,113	\$ 23,574,429	\$ 1,673,748	\$ 5,600,178	\$ 69,369,825
Oct 06	\$ 36,186,627	\$ 3,578,734	\$ 24,520,683	\$ 1,810,292	\$ 5,966,800	\$ 72,063,136
Nov 06	\$ 36,536,185	\$ 5,027,193	\$ 23,482,654	\$ 1,810,535	\$ 5,755,394	\$ 72,611,961
Dec 06	\$ 35,056,449	\$ 2,006,846	\$ 19,277,168	\$ 1,298,035	\$ 4,259,755	\$ 61,898,252
Jan 07	\$ 25,946,126	\$ 4,459,672	\$ 12,700,095	\$ 694,685	\$ 2,716,569	\$ 46,517,146
Feb 07	\$ 13,960,113	\$ 3,550,476	\$ 7,093,363	\$ 271,189	\$ 1,227,590	\$ 26,102,731
Mar 07	\$ 4,418,335	\$ 2,842,021	\$ 2,842,170	\$ -	\$ 272,765	\$ 10,375,291
Apr 07	\$ 7,292,919	\$ 1,214,740	\$ 4,669,941	\$ 188,212	\$ 785,538	\$ 14,151,350
May 07	\$ 13,051,366	\$ 1,435,062	\$ 9,395,192	\$ 557,360	\$ 1,855,391	\$ 26,294,371
Jun 07	\$ 19,790,366	\$ 1,153,056	\$ 13,904,518	\$ 963,545	\$ 2,971,598	\$ 38,783,083
Total	\$ 280,489,339	\$ 36,226,288	\$ 177,029,639	\$ 11,746,448	\$ 39,914,599	\$ 545,406,313
Avg. Bal	\$ 23,374,112	\$ 3,018,857	\$ 14,752,470	\$ 978,871	\$ 3,326,217	\$ 45,450,526
10/12 of Avg Bal						\$ 36,513,929

Calculation of Uncollectible Percentage:

Retail Sales Revenue 10 Mo Ending June 2007	\$ 385,352,222.00
Retail Transportation Revenue 10 Mo Ending June 2007	\$ 23,311,183.00
	<u>\$408,663,405.00</u>

Uncollectible Accounts 10 Mo Ending June 2007 \$ 5,749,234.90

Uncollectible Percentage 1.41%

New York State Electric & Gas Corporation
LAUF Calculation
12 months ending August 31, 2005 & 2007

GSA 1, 2 & 3
Exhibit 8
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Gas Delivered for the 12 months ended August 31, 2005 & 2007

	Firm Billed Dth	ISS Dth	NGV Dth	Daily Metered Dth	Non-Daily Dth	System Throughput Dth
GSA1	36,190,563	2,803,070	2,864	27,404,876	4,572,042	70,973,415
GSA2	19,817,621	858,498	1,504	9,098,647	2,966,922	32,743,192
GSA3	6,637,518	346,550	59	2,319,457	586,279	9,889,863
	62,645,702	4,008,118	4,427	38,822,980	8,125,242	113,606,469

Gas Received for the 12 months ended August 31, 2005 & 2007

	Throughput, Dth	Less Company Use	Gas Into System Dth
GSA1	71,299,234	16,611	71,282,623
GSA2	32,600,857	20,011	32,580,846
GSA3	10,043,720	6,970	10,036,750
	113,943,811	43,592	113,900,219

System LAUF to become effective January 1, 2008

1.00259

Exhibit 9

Re: CASE 06-G-1168 - In the Matter of the Filing of Annual Reconciliations of Gas Expenses and Gas Cost Recoveries.

ORDER CONCERNING ANNUAL RECONCILIATION OF GAS COSTS (Issued and Effective December 22, 2006)

Background:

As stated in the Order Concerning Annual Reconciliation of Gas Costs, Issued and Effective December 22, 2006 ("Order"), "... preliminary analysis suggested that the billed sales volume data included in the reconciliation statement is overstated due to internal reporting issue(s)."

This report is the third and final update provided in response to the above Order directing "New York State Electric & Gas Corporation shall make quarterly updates on the status of the over-stated billed sales volumes due to internal reporting issue(s) and file a report on it's findings no later than in it's next annual reconciliation filing."

As previously reported, efforts to date have specifically identified approximately 90,000 dth of the overstatement due to internal reporting issues. In addition, approximately 63,000 dth of the overstatement was attributed to estimating volatility.

Efforts have continued with investigating the causes of and/or contributors to the overstatement. A number of additional analyses and activities took place since the last filed report, but there have been no specific additional findings during that period.

Throughout this effort, as identified and where appropriate, changes in business activities and to business processes were made to minimize the potential for recurrence of any overstatement.

As indicated in the second quarter report filed on July 31, 2007, NYSEG believes that the customer billing and sales reporting areas have been thoroughly investigated through sampling, testing and analysis of the customer billing and reporting information. Monitoring activities have continued in the billing and reporting area. However, the most recent efforts have been focused on the gate station deliveries and gas supply reporting components of the overall process.

All of the Company's analyses done to date indicate that the apparently overstated sales were volumetric reporting issues and that customers have been billed correctly.

In light of the work done throughout 2007 on this issue, and the overall experienced LAUF identified in the 2007 Annual Reconciliation filing (0.26%, which is consistent with gas years 2004 and 2005), NYSEG will continue to monitor the process and institute appropriate reviews of existing and new areas of interest.

Activities During the Third Quarter included:

Analysis Validation of reported supply volumes.

#11:

This analysis compared the monthly pipeline invoiced volume to the NYSEG recorded SCADA volumes for the 2006 gas year period (9/2005 through 8/2006). Monthly volumes were compared for each city gate. The monthly volumes were summarized to compare the system total.

The invoiced supply volumes were also compared to the volumes filed in the 2006 Annual Reconciliation report (12/06 revised filing).

Findings: The result of this analysis showed a difference of less 0.05% in volumes between invoiced volumes and SCADA recorded volumes.

A difference of approximately 1,300 mcf was observed between the invoiced volumes and the 2006 Annual Reconciliation report (12/06 revised filing). This difference was attributed to an adjustment made in the 2006 Annual Reconciliation filing but was not made in the source data.

This analysis item is complete.

Analysis Comparison of supply volumes to sales volumes on a controlled sample of
#12: accounts (meter proofing).

Using a controlled sample or specific load pocket, the sum of sales volumes for given time period(s) were compared to the local city gate throughput volumes for the same period.

Findings: On the controlled sample used for this exercise, the results reflected a condition similar to what had been observed on a system wide basis (i.e., negative loss factor).

Review of this item will be continued.

Exhibit 9

The following addresses the status of items that were identified as under evaluation in the previous report(s) but were not specifically addressed in the "Activities During the Third Quarter" section above.

Analysis #4:	<p>Estimated billing data can be volatile during the non-heating season months. An analysis was performed to determine the volatility of the CCS estimating results during non-heating season months.</p> <p>In addition, there are gas meters that are not accessible at the time of a scheduled read that must be estimated. An analysis will be performed to determine the impact of estimating during the scheduled read months for the timeframe of February 2006 through August 2006.</p>
Previous Findings:	<p>Quarter 1: The company estimates that up to 63,000 dth had been overestimated and included in billed data through August 2006. Inherent overestimating will be reconciled with the next actual read. There is no impact on customer bills.</p> <p>Quarter 2: For the ten (10) month period ending in October 2006, the company has identified approximately 1200 meters that were not able to have been read. The next analysis will determine the estimated incremental impact of these meters on the estimating.</p>
Current Findings:	<p>Analysis not completed. No new findings to report.</p> <p>This analysis item will be continued.</p>

Analysis #9:	<p>Continuous tracking and monitoring</p> <p>As indicated in Analysis #6 of the 1st Quarter report, ongoing monitoring and analysis is performed on the Gas Year to Date and 12 month rolling data. Additionally, our internal processes require that the calculation of at least one contract account within each billed rate category is verified through a manual review process each month.</p>
Previous Findings:	<p>Quarter 2: Although no conclusions can be drawn at this time (through June 2007), preliminary data suggests that the difference between billed sales and gas supply will be narrower in the 2007 gas year than it was in 2006. We will continue to track and review the sales and supply data through the end of the gas year. We will also continue to verify a sample of bills each month.</p>
Current Findings:	<p>The data provided in the 2007 Annual Reconciliation filing reflects a return to more normal results as compared to 2006. Monitoring of the Gas Year to Date and 12 month rolling data has been incorporated into business processes and will be ongoing. As indicated, monthly sampling and verification of bills has been part of our internal business process(es) and will be ongoing.</p> <p>This item will be continued.</p>