

..DID: 8687
..TXT:

NIAGARA MOHAWK POWER CORPORATION

May 15, 1999

Honorable Debra Renner
Secretary
State of New York
Department of Public Service
Three Empire State Plaza
Albany, New York 12223

Dear Secretary Renner:

The enclosed leaves, issued by Niagara Mohawk, are transmitted for filing in accordance with the requirements of the Public Service Commission, State of New York:

Original Leaf No.	206.1
Original Leaf No.	206.2
Original Leaf No.	206.3
Original Leaf No.	206.4
Original Leaf No.	206.5
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Original Leaf No.	206.23
Original Leaf No.	206.24
Original Leaf No.	206.25

To PSC No. 218 Gas
Effective: May 16, 1999

The tariff leaves filed herein are filed in compliance with the Commission's order issued and effective March 17, 1999. The Commission's order is a result of the "Proceeding on Motion of the Commission to Review the Bypass Policy Relating to the Pricing of Gas Transportation for Electric Generation.

The Company has filed, in compliance with this order, new Service Classification No. 14 - Gas Transportation Service For Dual Fuel Electric Generators. The Price and Payment sections include four parts, in compliance with the Commission's order. Specifically, the filing reflects a \$.010 per therm contribution to overall system costs, a \$.017 per therm rate to recover marginal system costs, a real-time value component to reflect changes in the wholesale market price of

electricity relative to the changes in the cost of gas for generation and finally a minimum annual bill. The minimum annual bill will be based on the first three cost components and would reflect no less than 50% of the generator*s maximum annual quantity.

As indicated in Ordering Clause 2, the requirements of Section 66(12)(b) of the Public Service Law and 16NYCRR 270.70 as to newspaper publication of these amendments is waived for this filing.

Please advise the undersigned of any action regarding this filing.

Sincerely,

Marcia G. Collier
Manager, Gas Rates

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