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NIAGARA MOHAWK POWER CORPORATION
300 Erie Blvd. West
Syracuse, New York 13202

May 4, 2000

Honorable Debra Renner, Acting Secretary
Public Service Commission
3 Empire State Plaza
Albany, New York 12223

RE: Case Nos. 94-E-0098 and 94-E-0099
Proceedings on Motion of the Commission as to the Rates
Charges, Rules and Regulations of Niagara Mohawk Power Corporation
for Electric Service and Electric Street Lighting Service

Dear Acting Secretary Renner:

Enclosed for filing with the Commission is Niagara Mohawk Power Corporation's (Company) tariff amendments in compliance with the Public Service Commission's: 1) Opinion No.98-8, Opinion and Order Adopting Terms of Settlement Agreement Subject to Modifications and Conditions, issued and effective March 20, 1998, and 2) Order Concerning Tariff Amendments Setting Rates for All Customers Classes and Implementing a Retail Access Program, issued and effective August 26, 1998.

Identification of Tariff Leaves

Tenth Revised Leaf No. 7
Sixth Revised Leaf No. 9
Fourth Revised Leaf No. 10
Fourth Revised Leaf No. 11
Original Leaf No. 14.1
Tenth Revised Leaf No. 19
Fourth Revised Leaf No. 22
Third Revised Leaf No. 23
Third Revised Leaf No. 24
Third Revised Leaf No. 25
Third Revised Leaf No. 26
Sixth Revised Leaf No. 27
Fourth Revised Leaf No. 28
Third Revised Leaf No. 32
Original Leaf No. 33.1
Third Revised Leaf No. 38
Third Revised Leaf No. 39
Fourth Revised Leaf No. 40
Fourth Revised Leaf No. 41
Third Revised Leaf No. 42
Third Revised Leaf No. 43
Third Revised Leaf No. 44
Third Revised Leaf No. 45
Third Revised Leaf No. 46
Third Revised Leaf No. 47
Third Revised Leaf No. 48
Third Revised Leaf No. 49
Third Revised Leaf No. 50
Third Revised Leaf No. 51
Third Revised Leaf No. 52
Third Revised Leaf No. 53
Third Revised Leaf No. 54
Third Revised Leaf No. 55

Third Revised Leaf No. 56
Third Revised Leaf No. 57
Eighth Revised Leaf No. 59
Second Revised Leaf No. 66
Original Leaf No. 67.1
Fifth Revised Leaf No. 72
Ninth Revised Leaf No. 73
Second Revised Leaf No. 73.1
First Revised Leaf No. 74
First Revised Leaf No. 75
First Revised Leaf No. 76
Second Revised Leaf No. 77
First Revised Leaf No. 78
Eleventh Revised Leaf No. 82
Fourth Revised Leaf No. 85
Fifth Revised Leaf No. 86
Original Leaf No. 95.1

Statement of System Benefit Charge: Statement No. 3
Statement of Negative Competitive Transition Charge:

Statement No. 1
Statement of Traffic Control Lens Wattage Values:
Statement No. 1

To PSC No. 214 Electricity

Effective: September 1, 2000

Description of Filing

This filing constitutes the Company's compliance with certain of the Commission's directives associated with the implementation of the Power Choice Settlement Agreement, filed on October 10, 1997, and as further modified by the Commission. Specifically, the Settlement Agreement's Section 4.15 - Annual Tariff Filings stated that during the term of the Agreement the Company should make annual tariff filings to be effective on each anniversary of the Power Choice Implementation Date (PID). The initial PID was September 1, 1998. Section 4.15 also states that the annual filings should be issued to the Commission approximately 120 days prior to the effective date and should reflect the terms of the Agreement. Accordingly, this filing proposes PSC No. 214 Electricity prices for the third year of the Agreement's term, September 1, 2000 through August 31, 2001.

Proposed Unbundled Prices for P.S.C. No. 214 Electricity

The proposed electric rate designs included with this filing were performed to comport with Opinion No. 98-8 for conditions associated with the third year of the Settlement Agreement's term.

Exhibits that support the PSC No. 214 service classifications' rate designs are included with the filing submitted to the Commission on May 4, 2000 that propose to update prices for the third year of the Agreement's terms for PSC No. 207 Electricity.

System Benefits Charge Statement

Included with this filing is the System Benefits Charge (SBC) Statement No. 3 effective September 1, 2000. This statement is being made in compliance with Rule No. 41 of P.S.C. No. 207 Electricity, and Section 4, Paragraph 4.3.4 and Section 7 of the Settlement Agreement.

Proposed Rule 49: Negative Competitive Transition Charge Mechanism

As part of the accompanying PSC No. 207 compliance filing for the third year of the Settlement Agreement, the Company is proposing the establishment of PSC No. 207, Rule 49 - Adjustment to Charges Pursuant to the Negative Competitive Transition Charge (CTC) Mechanism. The proposed Rule applies to specific service classifications and Load Zones for both Schedule Nos. 207 and 214 where the CTC portion of the tariff rates and charges are negative values. This is the result of the manner which the unbundled rate designs are developed and the commodity back-out rates that are used in the designs. Where such negative CTC conditions exist, the Company proposes to set the negative CTC tariff rates at zero. A credit surcharge, equivalent to the negative CTC tariff rate that was set at zero, will be applicable to a customer's billing, thus providing the credit to the effected customers. The Company prefers this proposed administrative treatment for the situation since it eliminates negative CTC tariff rates and charges from the tariff schedules.

As described in proposed Rule 49 the negative CTC surcharges and their associated service classifications and Load Zones will be presented on Statements filed with the Public Service Commission apart from the rate schedules. The proposed Statement for PSC No. 214 is included with this filing.

S.C. No. 4 Traffic Control Rate Design Proposal

Enclosed with this filing are tariff amendments in recognition of Mr. Paul Powers', Director-Office of Energy & Environment, correspondence dated May 19, 1999 pertaining to traffic signals.

The purpose for including this traffic control proposal is to comply with Mr. Powers' request for electric utilities of New York State, if applicable, to file tariff revisions recognizing recent traffic control technological advancements that advocate energy efficiency.

This is the second submittal to comply with the request. The Company first filed revisions to comply with Mr. Powers' request on November 19, 1999, Case No. 99-E-1632. The Company simultaneously submitted a companion filing, Case No. 99-E-1630, to amend Rule 48-Administration of the Competitive Transition Charge Options for Customers Served under Service Classification Nos. 1, 2, 3 of P.S.C. No. 207 Electricity. The revisions to Rule 48 included customers served under P.S.C. No. 214, S.C. No. 4A to be subject to the Market Rate Option. Both filings were canceled on December 20, 1999, via Supplement Nos. 8 and 240, applicable to P.S.C. No. 214 and P.S.C. No. 207, respectively. The cancellation was due to the initial reactions to the filed revisions causing concern to the eventual mandatory metering requirement for all traffic control customers.

Niagara Mohawk is retaining the unmetered traffic control, Service Classification No. 4, however, with modifications. It is not submitting, at this time, any revisions to establish a metered application exclusively for traffic control.

Primarily, the Company's proposal replaces the all-encompassing signal-face charge with a combination monthly basic service charge per location and volumetric charges. The basic service charge represents the fixed costs of providing distribution delivery, transmission and distribution, service to a location. A location is specifically defined in the tariff, but simply stated, it is a complete, singular traffic control installation. Competitive Transition Charge (CTC), System Benefits Charge (SBC) and Electricity Supply Service (ESS) are stated volumetrically and applied against estimated kilowatt-hour consumption at each location. The ESS is being transitioned to Market-based from Standard-based, therefore, the delivery charge adjustment (DCA) will no longer apply to unmetered traffic control customers. The ESS will float with the market each month. Traffic control applicants/customers have the choice to receive service under the unmetered traffic control schedule or as a metered option served under P.S.C. No. 207, S.C. No. 2.

The workpapers supporting P.S.C. No. 214 contain an outline of the changes to the traffic control tariff. The Company suggests that a technical session be held for the Department of Public Service Staff and interested parties to explain the details of the proposal. The Company will initiate such action within thirty (30) days of this filing's submittal date.

Proposed Traffic Control Lens Wattage Values Statement

In an attempt to promote uniform application, the Company is initiating a statement identifying default wattage values for specific traffic control equipment.

As part of the compliance for the new traffic control rate design, the Company is proposing the establishment of PSC No. 214, Traffic Control Lens Wattage Values Statement. The statement identifies default wattage values for specific types of lenses used in traffic control.

The default values are needed in the event a customer can not provide wattage values of its equipment for any reason. The source for the stated wattage values is from equipment used by the New York State Department of Transportation (DOT). The Company chose the ratings from the DOT because they are by far Niagara Mohawk's largest traffic control customer, their use of equipment is uniform across the state, they utilize the most up-to-date equipment, and they continually research for improved technology.

The Company's choice to display these ratings on a statement rather than within the tariff is for prompt flexibility. Technology is developing quickly in this field and the statement allows for timely revisions. It is expected that this initial list is not all-inclusive. Other governmental bodies and private enterprises utilize equipment unique to their situations. The establishment of this statement will allow for immediate revisions to accommodate the anticipated updates.

Newspaper Publication

Newspaper publication will be made in accordance with 16 NYCRR 136.70 on May 25 and June 1, June 8 and June 15, 2000.

Inquiries on this Filing

Anyone with questions regarding this filing may contact the undersigned.

Very truly yours,

George A. Bauman
Manager - Rate Administration

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Enclosure
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