

..DID: 17415
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NIAGARA MOHAWK POWER CORPORATION
300 Erie Blvd. West
Syracuse, New York 13202

October 23, 2001

Honorable Janet H. Deixler, 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 Secretary Deixler:

The attached Statement issued by Niagara Mohawk is being transmitted for filing in accordance with the requirements of the Public Service Commission, State of New York.

Statement of Transmission Revenue Adjustment
Statement No. 1

To P.S.C. No. 214 Electricity

Effective: October 29, 2001

The above Statement of Transmission Revenue Adjustment (TRA) No. 1 is being filed per Rule No. 43 - Transmission Revenue Adjustment which was recently approved by the Commission as part of the Company's Power Choice Year 4/5 compliance filing issued July 31, 2001 in Case Nos. 94-E-0098 and 94-E-0099. Specifically, Rule No. 43 was proposed by the Company to provide a monthly comparison of the forecast based transmission revenue credit included in delivery and the actual Transmission Revenue realized from these services. This statement is to be filed with the Commission on a monthly basis not less than three business days before its effective date.

The forecast based transmission revenue credit of \$88,530,000 has been used for the basis of the calculation used in determining the factors included on this Statement. In Case No. 01-E-1476 filed on October 5, 2001 a revision was made to Rule No. 43, specifically Rule No. 43.3, which revised the Year 4 forecast transmission revenue credit from \$87,468,000 to the correct amount of \$88,530,000. The difference in the two amounts was associated with a misunderstanding of the application of Gross Receipts Taxes (GRT). Staff of the PSC involved in this review of Rule No. 43 were informed of this revision to this filing. Since the effective date of this pending filing is October 29, 2001 after the required filing date of this Statement, the revised amount of \$88,530,000 is being used.

Included in the companion PSC No. 207 filing is Attachment 1, page 6-5 of the Company's September 2001 Financial Report, containing the actual revenue from the transmission of energy used for the calculation of the TRA for the September comparison. Adjustments to these numbers have been made to remove adjustments not applicable to the calculation for the month of September. Also, Attachment 2 of the companion PSC No. 207 filing is the workpapers supporting this calculation.

Received: 10/23/2001

Statement of Transmission Revenue Adjustment No. 1 is effective October 29, 2001 for batch billings and November 1, 2001 for calendar month billings.

Please advise the undersigned of any action taken in regards to this filing.

Sincerely,

George A. Bauman,
Manager - Tariff Services

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