

..DID: 10328
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NIAGARA MOHAWK POWER CORPORATION
October 29, 1999

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

Dear Acting Secretary Renner:

Attached for filing in compliance with the requirements of the Public Service Commission of the State of New York and the Commission's October 15, 1999 Order in Cases 99-G-0170, 99-G-0591, and 99-G-0336 are the following tariff leaves:

Second Revised Leaf No.	94
Second Revised Leaf No.	95
Second Revised Leaf No.	96
Second Revised Leaf No.	97
Second Revised Leaf No.	98
Second Revised Leaf No.	99
Fourth Revised Leaf No.	102
Second Revised Leaf No.	103
Fourth Revised Leaf No.	105
Second Revised Leaf No.	106
Fourth Revised Leaf No.	107
Fifth Revised Leaf No.	108
First Revised Leaf No.	131
First Revised Leaf No.	132
Seventh Revised Leaf No.	134
Sixth Revised Leaf No.	135
Third Revised Leaf No.	136
Fifth Revised Leaf No.	137
First Revised Leaf No.	137.1
Second Revised Leaf No.	138
Fifth Revised Leaf No.	140
Second Revised Leaf No.	141
First Revised Leaf No.	143
First Revised Leaf No.	144
Third Revised Leaf No.	166
First Revised Leaf No.	180
First Revised Leaf No.	184.2
Fourth Revised Leaf No.	188
Eighth Revised Leaf No.	190
Seventh Revised Leaf No.	191
Fourth Revised Leaf No.	192
Fourth Revised Leaf No.	193
Seventh Revised Leaf No.	194
First Revised Leaf No.	194.1
Sixth Revised Leaf No.	195
Third Revised Leaf No.	196

Statement of Standby Capacity Charge No. 2

To P.S.C. No. 218 Gas

Effective: November 1, 1999

On January 29, 1999, the Company filed tariff revisions to P.S.C. No. 218 Gas in order to implement a full pass through gas cost mechanism to become effective on November 1, 1999 which corresponds to the end of the Company's current multi-year rate plan in Case No. 95-G-1095.

In addition, on September 14, 1999 the Company filed an interim agreement in Case No. 99-G-0336 as a result of the absence of a Commission approved resolution of Case No. 99-G-0336 which would otherwise have commenced November 1, 1999. Paragraph 5 of that interim agreement called for a new commodity and capacity cost GAC mechanism to be implemented. The filing made herein implements certain revisions required to be made to the Company's January 29, 1999 filing by Paragraph 5 of the interim agreement and also implements revisions required by the Commission's "Memorandum and Resolution Revising 16 NYCRR Section 270.55" issued and effective April 13, 1999. The April 13th order revises the Commission's regulations regarding gas adjustment clause mechanisms.

On April 30, 1999, the Company filed tariff revisions to P.S.C. No. 218 Gas to unbundle sales rates applicable to SC Nos. 1, 2, and 3 customers which has been designated Case No. 99-G-0591. This filing is currently postponed to November 1, 1999. This filing was made in compliance with the Commission's proposed "Policy Statement Concerning the Future of the Natural Gas Industry in New York State and Order Terminating Capacity Assignment" issued on November 3, 1998, as well as the Company's March 11, 1999, Restructuring Filing in Case No. 99-G-0336. The filing made herein also implements certain revisions required to be made to the Company's April 30, 1999 filing. Specifically, the tariff leaves delete the interstate pipeline fixed charges and commodity cost of gas previously embedded in base rates as called for by the September 14, 1999 Interim Agreement.

As a "housekeeping item," the Company is also filing modifications to tariff leaves 190, 191, 194, 194.1, and 195 related to the Company's October 1, 1999 standby capacity service filing in Case No. 97-G-1380. These changes have been requested by the Commission's Staff in order to clarify that mandatory assignment of CNG capacity does not extend beyond October 31, 1999. The Company has also filed a revised Standby Capacity Charge Rate Statement due to a change in the CNG demand rate upon which the rate is based.

It should be noted that the following pending tariff leaves, filed on January 29, 1999, have not been revised and will therefore also go into effect on November 1, 1999:

Fourth Revised Leaf No.	93
First Revised Leaf No.	100
Second Revised Leaf No.	101
Third Revised Leaf No.	104
Second Revised Leaf No.	108.1
First Revised Leaf No.	153
Fourth Revised Leaf No.	154
Second Revised Leaf No.	160
Second Revised Leaf No.	162
Second Revised Leaf No.	201
Second Revised Leaf No.	204

The Company also requests recovery of approximately \$522,000 of lost revenue which occurs due to the unbundling of gas rates. This

revenue loss relates to the roll-out of gas costs from minimum charges on Service Classification Nos. 1 and 2 and its subsequent application to metered use only. In addition, a revenue loss occurs on S.C. 3 due to a roll-out of gas costs from the S.C. 3 ratchet provision. The Company hereby proposes to adjust S.C. 1, S.C. 2, and S.C. 3 delivery service rates for this revenue loss at the date of implementation of a compliance filing implementing rate changes in the Company's current rate proceeding Case No. 99-G-0336.

Newspaper publication of the proposed changes will be made in accordance with 16 NYCRR 720-8.1.

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

Sincerely,

Marcia G. Collier
Manager Gas Rates

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