

..DID: 4728  
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**NIAGARA MOHAWK POWER CORPORATION**

August 3, 1998

Mr. John C. Crary  
Secretary  
Public Service Commission  
3 Empire State Plaza  
Albany, New York 12223

Dear Mr. Crary:

The following leaf is hereby transmitted for filing in accordance with the requirements of the Public Service Commission of the State of New York.

Third Revised Leaf No. 93

To P.S.C. No. 218 Gas

Effective: September 3, 1998

**Background**

On June 3, 1997 in Case No. 93-G-0804, Niagara Mohawk filed its response to the Commission's Order concerning Gas Appliance and Repair Service, issued on April 4, 1997 in this proceeding. On February 3, 1998 the Commission issued an order addressing the utilities plans and the comments received in this proceeding. The February 3, 1998 Order determined that the incidental nature of screwdriver repairs\* contribution to safety and customer satisfaction, support the continuation of the no direct charge practice. An exception was noted in the February 3, 1998 Order, whereby the replacement of a thermocouple which may be replaced, at the customer's request, should be performed as a direct charge to the customer. On May 26, 1998 in this proceeding, Niagara Mohawk filed its response to the Commission's Order issued on February 3, 1998. The Company filed a Revised Gas Appliance Repair Plan to ensure that Niagara Mohawk had fully complied with the Commission's mandate in its February 3, 1998 Order. Niagara Mohawk is filing this Third Revised Leaf No. 93 in compliance with the Commission's February 3, 1998 Order.

**Proposed Charge**

The Company's May 26, 1998 plan as well as the tariff leaf filed herein, allow the Company to charge for thermocouple replacements done at the customer's request at Niagara Mohawk's cost. Attachment No. 1, sets forth the calculation of Niagara Mohawk's current cost

for thermocouple replacements during normal hours of \$53.52. Attachment No. 1A sets forth a summary of Niagara Mohawk's cost for thermocouple replacements during overtime hours of \$65.76. Overtime hours are considered hours worked after 5:00 PM weekdays, weekends and holidays. Therefore, charges to customers for thermocouple replacements will be \$53.52 during normal hours and \$65.76 during overtime hours. The Company intends to update these charges when significant changes greater than ten (10) percent in time and/or material costs occur.

With respect to the manner of filing the annual charge, along with the future annual updated charges, the Company proposes to incorporate the charges on a tariff statement rather than the tariff itself. In this way, the statement can be filed with the Commission and go into effect on less than thirty (30) days notice.

### **Revenue Impact**

The Commission's February 3, 1998 order, required utilities to direct customers to obtain the services of a qualified unregulated business for appliance repairs, when it is clear that safety is not a concern. The Company anticipates the number of service calls which the Company will respond to will decrease significantly as a result of this policy change. Therefore, the estimated revenue impact associated with thermocouple replacements is expected to be minimal.

As set forth in the Company's May 26, 1998 revised appliance repair plan filed with the Commission, the Company proposes to credit all revenues resulting from the above mentioned charges to the Contingency Reserve Fund established in the Settlement Agreement approved by the Commission in its Opinion No. 96-32 issued December 19, 1996 in Case 95-G-1095.

Newspaper publication of the proposed changes will be made in accordance with 16 NYCRR 236.70 on August 12, 19, 26, and September 2, 1998.

Please advise me directly of any actions taken on this matter. I can be reached at 315-428-5142.

Sincerely yours,

Joan E. McDowell  
Rate Analyst