

..DID: 21377
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NIAGARA MOHAWK POWER CORPORATION
A **National Grid** Company
300 Erie Boulevard West
Syracuse, New York 13202
January 22, 2003

Honorable Janet Hand Deixler, Secretary
State of New York
Public Service Commission
Office of the Secretary, 19th Floor
Three Empire State Plaza
Albany, New York 12223

Dear Secretary Deixler:

Attached for filing in accordance with the requirements of the Public Service Commission of the State of New York is the following Statement:

Statement of Net Revenue Sharing Surcharge No. 3

To P.S.C. No. 218 Gas

Effective: February 1, 2003

The Company files this Statement per Rule 26.1 of its P.S.C. 218 Gas Tariff in compliance with the Gas Rate and Restructuring Settlement Agreement in Case 99-G-0336. This rule requires the Company to submit for review and approval its calculation of any net revenue sharing refund or recovery. The resulting calculation for the twelve months ending October 2002 is a credit of (\$.00017) per therm.

Workpapers supporting the (\$.00017) per therm credit have been sent directly to the Commission's Staff.

The resulting over-collection for the period twelve months ending October 31, 2002 is \$128,414.

Please advise the undersigned of any actions taken on this filing. I can be reached at (315) 428-5692.

Sincerely,

Marcia G. Collier
Manager, Gas Rates

MGC/jsc (L:Tariffs/218tarif/wpdfiles/letters/lett244)