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**NIAGARA MOHAWK POWER CORPORATION**

March 22, 2000

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 accordance with the requirements of the Public Service Commission of the State of New York are the following tariff leaves:

First Revised Leaf No. 2  
Fourth Revised Leaf No. 133

To P.S.C. No. 218 Gas

Effective: April 23, 2000

The Company is filing the above listed tariff leaves in compliance with the Commission's February 14, 2000 order in Case 99-G-1369. The Commission's February 14, 2000, order approved the New York Gas Group's petition to establish a voluntary state funding mechanism to support medium and long-term gas research and development programs. In addition, the order allows each local distribution company to file tariff revisions to provide for a surcharge to firm sales and firm transportation customers. The order requires that the surcharge not exceed the decrement in the Federal Energy Regulatory Commission (FERC) surcharge currently used to support broad-based gas related research and development conducted by the Gas Research Institute. In addition, the order requires that the FERC surcharge be capped at \$.0174 per dekatherm after 2004. The above tariff provision adds Rule 30 to the General Information Section of P.S.C. No. 218 in order to provide for the Research and Development Surcharge Mechanism.

Newspaper publication of the proposed changes as required by 16NYCRR 720-8.1 will be made on April 5, 12, 19 and 26, 2000.

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

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