

..DID: 12635
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NIAGARA MOHAWK POWER CORPORATION
July 31, 2000

Honorable Janet Hand Deixler
Secretary
State of New York
Public Service Commission
Three Empire Plaza
Albany, New York 12223

Dear Secretary Deixler:

The attached tariff leaves issued by Niagara Mohawk Power Corporation are transmitted for filing in compliance with the requirements of the Public Service Commission and the Commission's Order approving the Settlement Agreement issued July 27, 2000 in Case 99-G-0336.

Sixth Revised Leaf No.	3
Second Revised Leaf No.	33.1
Second Revised Leaf No.	34
First Revised Leaf No.	35
Second Revised Leaf No.	71
Fifth Revised Leaf No.	93
Original Leaf No.	93.1
Third Revised Leaf No.	94
Second Revised Leaf No.	100
Third Revised Leaf No.	101
Third Revised Leaf No.	103
Fifth Revised Leaf No.	105
Third Revised Leaf No.	106
Seventh Revised Leaf No.	108
Third Revised Leaf No.	108.1
First Revised Leaf No.	114
First Revised Leaf No.	115
First Revised Leaf No.	116
Original Leaf No.	116.1
First Revised Leaf No.	117
Original Leaf No.	117.1
First Revised Leaf No.	118
First Revised Leaf No.	119
First Revised Leaf No.	120
First Revised Leaf No.	121
First Revised Leaf No.	122
First Revised Leaf No.	123
First Revised Leaf No.	124
Original Leaf No.	124.1
Original Leaf No.	124.2
First Revised Leaf No.	125
Second Revised Leaf No.	126
First Revised Leaf No.	127
First Revised Leaf No.	128
First Revised Leaf No.	129
First Revised Leaf No.	130
Second Revised Leaf No.	131
Original Leaf No.	131.1
Original Leaf No.	131.2
Original Leaf No.	131.3
Second Revised Leaf No.	132

Eighth Revised Leaf No.	134
Original Leaf No.	134.1
Seventh Revised Leaf No.	135
Fifth Revised Leaf No.	136
Original Leaf No.	136.1
Sixth Revised Leaf No.	137
Second Revised Leaf No.	137.1
Third Revised Leaf No.	138
First Revised Leaf No.	139
Original Leaf No.	139.1
Sixth Revised Leaf No.	140
Original Leaf No.	140.1
Third Revised Leaf No.	141
First Revised Leaf No.	142
Second Revised Leaf No.	144
First Revised Leaf No.	148
First Revised Leaf No.	149
First Revised Leaf No.	150
Fourth Revised Leaf No.	151
First Revised Leaf No.	152
Second Revised Leaf No.	153
Sixth Revised Leaf No.	154
Second Revised Leaf No.	155
First Revised Leaf No.	156
Original Leaf No.	156.1
Original Leaf No.	156.2
Original Leaf No.	156.3
Original Leaf No.	156.4
Original Leaf No.	156.5
First Revised Leaf No.	157
First Revised Leaf No.	158
Third Revised Leaf No.	159
Third Revised Leaf No.	160
Second Revised Leaf No.	161
Fourth Revised Leaf No.	162
First Revised Leaf No.	163
Second Revised Leaf No.	164
Second Revised Leaf No.	165
Fifth Revised Leaf No.	166
Third Revised Leaf No.	167
First Revised Leaf No.	168
Fifth Revised Leaf No.	170
First Revised Leaf No.	174
First Revised Leaf No.	176
First Revised Leaf No.	177
First Revised Leaf No.	178
Fourth Revised Leaf No.	184
Second Revised Leaf No.	184.2
Fifth Revised Leaf No.	185
Third Revised Leaf No.	186
Second Revised Leaf No.	187.3
Fifth Revised Leaf No.	188
Fifth Revised Leaf No.	189
Tenth Revised Leaf No.	190
Ninth Revised Leaf No.	191
Original Leaf No.	191.1
Fifth Revised Leaf No.	192
Fifth Revised Leaf No.	193
Ninth Revised Leaf No.	194
Third Revised Leaf No.	194.1
Seventh Revised Leaf No.	195
Fourth Revised Leaf No.	196
Sixth Revised Leaf No.	197
Second Revised Leaf No.	197.1
Fifth Revised Leaf No.	197.6
First Revised Leaf No.	197.6.1

First Revised Leaf No. 197.10

Balancing Services Cost Recovery Statement No. 1

To: P.S.C. No. 218 Gas

Effective: August 1, 2000

As indicated, on July 27, 2000, the Commission issued an Order approving the Company's Gas Rate and Restructuring Settlement Agreement filed June 12, 2000 in Case 99-G-0336 ("Rate Order"). Ordering Paragraph 3 authorizes tariff revisions to be filed on not less than one days notice to implement revised gas rates and settlement provisions in compliance with the June 12, 2000 Settlement Agreement.

Provisions of the Settlement Agreement related to the Company's new Monthly and Daily Balancing Programs are being delayed until September 1, 2000, at the request of Signatory Parties to this proceeding. The remaining rate provisions of the tariff are being implemented effective August 1, 2000, as provided for by the Settlement Agreement.

At the time the Settlement Agreement was finalized, it was the intent of the Company to be able to implement the impacts on Gas Customers of the recent New York State Tax Law changes in this compliance filing. However, at this time, the Company and Staff have not determined the final estimate of the New York State Net Income Tax to be included in gas delivery service rates. It is now the Company's intent to continue to work with Staff to finalize the numbers and implement both the Revenue Tax (GRT) changes and the New York State Net Income Tax impacts on October 1, 2000. Revised gas tariff leaves reflecting these changes will be filed with the Commission as soon as possible prior to October 1, 2000.

Sections VII F, G and H of the Settlement Agreement call for a One Bill Option to be made available by Niagara Mohawk for customers taking delivery service on Service Classification Nos. 1, 2, 5, 6, 8 and 9 "on the Implementation Date or as soon after such date as modifications to Niagara Mohawk billing system necessary to provide the service can be completed." These provisions are set forth on Leaf 197.6.1 which becomes effective August 1, 2000. It should be noted however, that in accordance with the Settlement Agreement, the Company currently expects to implement this billing option effective November 1, 2000, assuming necessary computer enhancements can be implemented by that date. It also should be noted that the Company will provide this billing option for Service Classification No. 7 customers as well who were inadvertently not specified in the Settlement Agreement.

The Company's Gas Rate and Restructuring Settlement Agreement filed June 12, 2000 provided that the balancing charge for Daily Balancing would be billed to customers through August 31, 2000 and thereafter billed to Marketers. Since finalization of the June 12, 2000 Settlement Agreement, the parties have agreed to revise the dates to provide that billing to customers would continue through December 31, 2000. A Joint Errata Statement has been executed by the parties to reflect this change, and was approved by a One Commission Order on July 27, 2000. The present filing reflects the new understanding of the parties.

In accordance with Ordering Paragraph 3 of the Rate Order, the Company is proceeding with newspaper publication to be made on August 9, 16, 23 and 30, 2000.

Sincerely,

Marcia G. Collier
Manager Gas Rates