..DID: 4731

NIAGARA MOHAWK POWER CORPORATION

August 5, 1998

Mr. John C. Crary Secretary State of New York Department of Public Service Three Empire Plaza Albany, New York 12223

Dear Secretary Crary:

The enclosed postponement supplement, issued by Niagara Mohawk Power Corporation, is transmitted for filing in compliance with the requirements of the Public Service Commission.

Supplement No. 7

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

Issued: August 5, 1998

The enclosed supplement requests postponement of First Revised Leaf No. 151 filed by Niagara Mohawk Power Corporation on January 22, 1998, effective May 1, 1998 and subsequently postponed to September 1, 1998. The Company and P.S.C. Staff met on July 2, 1998 to discuss the filing made on January 22, 1998. This Postponement Supplement No. 7 has been filed in order to allow the Company to consider an alternate pricing mechanism or in the alternative to consider the withdrawal of the filing. Therefore, the Company requests further postponement of the January 22, 1998 filing to October 1, 1998.

The Company requests special permission for the postponement supplement to become effective on less than statutory notice effective September 1, 1998, to be coincident with the otherwise effective date of the pending leaf. The Company also requests waiver of advertising required under the provisions of 16NYCRR 270.70 in that the P.S.C. No. 218 tariff has previously been advertised and that the proposed delay will have no impact on the general body of ratepayers.

Sincerely,

Marcia G. Collier Manager of Revenue & Cost Evaluation