

..DID: 5141

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NIAGARA MOHAWK POWER CORPORATION

September 11, 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 attached tariff leaves, issued by Niagara Mohawk Power Corporation ("Company"), are being transmitted for filing in accordance with the requirements of the Public Service Commission, State of New York:

First Revised Leaf No.	24
First Revised Leaf No.	25
First Revised Leaf No.	63
First Revised Leaf No.	64
First Revised Leaf No.	74
First Revised Leaf No.	75
First Revised Leaf No.	77
First Revised Leaf No.	81
First Revised Leaf No.	82
First Revised Leaf No.	83
First Revised Leaf No.	84
First Revised Leaf No.	133
First Revised Leaf No.	134
Third Revised Leaf No.	135
Third Revised Leaf No.	137
Third Revised Leaf No.	140
Second Revised Leaf No.	242

to P.S.C. No. 218 Gas

Effective: November 25, 1998

The purpose of this filing is to propose to adjust specific rates and charges and amend the tariff language contained in P.S.C. No. 218 Gas to conform to the billing specifications of Niagara Mohawk Power Corporation's new billing system entitled the Customer Service System (CSS), which is scheduled to be operational on November 25, 1998. Proposed amendments are being concurrently filed for P.S.C. No. 214 - Outdoor Lighting and P.S.C. No. 207 - Electricity to incorporate these changes as well.

Under the current billing system, certain service classifications have rates stated on a thirty-day basis. In the simplest terms, in order to render a bill, the customers usage (therms) has to be prorated to a thirty-day equivalent. The thirty-day equivalent is then priced by the block rates, added to the Customer Charge and prorated back to the number of billing days. Under the new billing system, prices will be stated on a monthly basis, 25 to 35 days, whereby all billing periods falling within this range of days will require no proration. The enclosed amended tariff leaves revise all references to thirty-day rates and charges to conform to the monthly calculation, and adjusts the rates and charges for specific service classifications that are currently designed and applied on a thirty-day basis. Bills outside the period of 25 to 35 days will be prorated on the basis of thirty days.

Amendments have also been made to Rule 13 - Meter Reading and Rule 15 - Billing and Collection to eliminate all references to rendering bills on a bi-monthly basis. Under the new billing system, customers will receive monthly bills from the Company. For those accounts where meters are read every two months, the Company will render an estimated interim bill for the month that the meter is not read. Rule 15 has also been amended to reflect a revised methodology for proration of changes in base tariff rates. In billing periods where this occurs, the bill will be calculated on a basis of a weighted composite of the old and new rates as described in this amended Rule.

Tariff language describing the Company's Budget Billing, contained in Rule 15.7.6 - Budget Bills, has been amended to include the following changes:

- 1) The Company's current Budget Plan is twelve months in length with settlement in the twelfth month. Under the new billing system, the deferred balance (the difference between the cost of service used and the amount actually paid) will be rolled over into the next budget period, however at the request of the customer, settlement of the deferred balance may occur.
- 2) The monthly budget amount is calculated on the basis of historical charges rather than historical usage.

New Rules 30, 31 and 32 have been added in order to allow the Company's new billing system to implement similar procedures relative to unbundling of the Company's Gas and Electric Business. Rule 30 implements a \$10.00 switching fee whenever a customer changes suppliers. The customer's initial switch from the Company to an alternate supplier can be done at no charge. Rule 31 implements a \$15.00 charge to aggregators/marketers for each request for twenty-four months of a customer's consumption history beyond the second request. Rule 32 outlines procedures relating to discontinuance of Gas Supply Service for a specific customer. Rule 32 also outlines procedures for a customer to discontinue receiving gas supply service from an aggregator/marketer.

Exhibits and supporting workpapers were previously provided to the Chief of Gas Rates on July 5, 1998.

Although the new billing system is scheduled to be fully operational to bill all service classes on an actual day basis on November 30, 1998, the possibility exists that the effective date may be postponed and/or some classes would not be able to be billed at that time due to unforeseen circumstances. Niagara Mohawk is respectfully requesting that if either or both such conditions occur, the Company would be able to amend this filing accordingly to react to the modification in implementation plans.

The Company is requesting that this filing become effective on an emergency basis and that the requirements of the SAPA be waived so these leaves become effective on November 25, 1998. This will ensure that customers* bills will be stated on a monthly basis to coincide with the effective date of the CSS.

The notice required by the State Administrative Procedures Act is enclosed.

Newspaper Publication of the proposed changes as required by 16 NYCRR 270.70 will be made on September 23, 30 and October 7 and 14.

Very truly yours,

NIAGARA MOHAWK POWER CORPORATION

Marcia G. Collier, Manager
Revenue & Cost Evaluation