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NIAGARA MOHAWK,
a National Grid Company
300 Erie Blvd. West
Syracuse, New York 13202

February 5, 2003

Honorable Janet H. Deixler, Secretary
Public Service Commission
3 Empire State Plaza
Albany, New York 12223

RE: Case No. 94-E-0952 - In the Matter of Competitive Opportunities Regarding Electric Service. Order Continuing and Expanding the System Benefits Charge for Public Benefits Programs, Issued and Effective January 26, 2001

Dear Secretary Deixler:

The attached System Benefits Charge ("SBC") Statement issued by Niagara Mohawk Power Corporation is transmitted for filing in accordance with the requirements of the Public Service Commission, State of New York:

Statement of System Benefits Charge No. 6

To P.S.C. No. 214 Electricity

Effective: March 1, 2003

This filing is issued in compliance with Ordering Clause No. 4 in the Order mentioned above. The Ordering Clause requires the Company to design its SBC collection rate on an annual basis to correspond to its collection allocation and the yearly projections of the upcoming year's electric sales with any over or under collections reconciled on an annual basis. Accordingly this filing presents the SBC reconciliation for the calendar year 2002 and the development of a revised SBC collection rate.

The Company proposes that the revised SBC collection rate of \$0.001537/kWh become effective on March 1, 2003 and remain in effect through February 28, 2004. It is projected the revised collection rate will recover \$39,104,856 during the period twelve months ending February 28, 2004 which consists of the Company-specific annual collection allocation of \$39,870,125 and the 2002 reconciliation amount of negative \$765,269.

The workpapers that show the sales basis used for the development of the proposed rate for PSC No. 214 Electricity is being filed with the companion P.S.C. No. 207 Electricity filing.

Please direct any action regarding this filing to the undersigned.

Very truly yours,

George A. Bauman
Manager - Rate Administration

GAB
Enclosure
LETTSTATT