

..DID: 1551  
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**NIAGARA MOHAWK POWER CORPORATION**  
**October 28, 1997**

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

Dear Secretary Crary:

The enclosed tariff leaves are issued by Niagara Mohawk Power Corporation and transmitted for filing in accordance with the Commission's "Order Resolving Petitions for Rehearing and Requiring the Filing of Fixed Price Option Tariffs (Order)". This order was issued by the Public Service Commission October 7, 1997, in Case No. 97-G-0600.

First Revised Leaf No. 15  
First Revised Leaf No. 93  
First Revised Leaf No. 101  
First Revised Leaf No. 102  
First Revised Leaf No. 104  
First Revised Leaf No. 105  
First Revised Leaf No. 107  
First Revised Leaf No. 135  
First Revised Leaf No. 137  
First Revised Leaf No. 140  
Statement of Fixed Commodity Cost Adjustment No.1  
  
to PSC No. 218  
Effective December 1, 1997

The above revised tariff leaves are filed in response to the request of the Commission to offer a fixed gas price option for the 1997-1998 heating season.

**Incremental Costs**

All incremental costs of implementing this program will be quantified and deferred with carrying charges for future recovery from ratepayers in accordance with Article III of the Stipulation and Agreement in Case No. 95-G-1095.

**Customer Satisfaction**

The Company will exclude calls and complaints resulting from the implementation of the Fixed Price Option from all statistics currently used to measure Company performance including the Customer Service Guarantees included in the Company's Stipulation and agreement in Case 95-G-1095 approved by Opinion 96-32 issued December 19, 1996.

**Communication Plan**

In order to implement its Fixed Price Option, the Company will hold an open season in order to determine the number of customers that apply for the Fixed Price Option. The purpose of the open season will be to notify customers of the FCCAC rate which the customer will be charged as well as to provide a card which the customer will be required to sign and return, between November 10, 1997, through November 15, 1997. The Fixed Price Option will be limited to 10 percent of customers per class.

In as much as the Company will be notifying all affected customers via direct mail, the Company will not be publishing the aforementioned changes pursuant to 16NYCRR 270.70 as allowed by Ordering Paragraph 3 of the Commission's October 7, 1997 Order.

If you have any questions, please contact me at (315) 460-4095.

Sincerely,

Amy S. Wisner  
Rate Analyst