

..DID: 11050  
..TXT:

**NIAGARA MOHAWK POWER CORPORATION**

December 15, 1999

Honorable Debra Renner  
Acting Secretary  
State of New York  
Department of Public Service  
Three Empire State Plaza  
Albany, New York 12223

Dear Acting Secretary Renner:

Attached for filing in accordance with the requirements of the Public Service Commission of the State of New York are the following tariff leaves:

Third Revised Leaf No.151  
Second Revised Leaf No.159  
Second Revised Leaf No.167  
Fourth Revised Leaf No.189

To PSC No. 218 Gas

Effective: December 18, 1999

On June 23, 1999 the Company filed a Petition for Waiver of Certain Penalty Provisions of its Schedule for Gas Service, PSC No. 218 Gas. Specifically, the petition requested a waiver of penalties assessed to marketers and customers for non-compliance with a Forced Balancing Operational Flow Order (OFO) issued by the Company on November 30, 1998.

The unique circumstance surrounding the OFO event of December of 1998 caused Niagara Mohawk to file the Petition for Waiver indicated above. This Petition for Waiver also indicated that the Company would soon file a tariff revision to increase the Company's discretion to expand the tolerance limits allowed by the Company's Gas Tariff in Service Classification Nos. 5, 7, 8, and 11 from 2-15% to 2-50%. The Company filed this tariff revision on September 3, 1999 to become effective November 18, 1999. This tariff filing was later postponed until December 18, 1999.

On December 6, 1999, the Commission issued its "Order Concerning the Imposition of Operational Flow Order Penalties and Requiring Tariff Revisions" in Case No. 99-G-1207. The tariff leaves filed herein comply with this Commission order. Specifically, the Company has clarified that Forced Balancing OFO's may not be used to simultaneously restrict overdeliveries and underdeliveries. In addition, the Company has changed the allowable tolerance limits back to the original 2-15% as required by the Commission's order.

As indicated in Ordering Paragraph 2, the requirements of Section 66(12) (b) of the Public Service Law and 16NYCRR 720-8.1 as to newspaper publication of these amendments are waived for this filing.

Please advise me of any actions taken on this filing. I can be

reached at 315-428-5692.

Sincerely,

Marcia G. Collier  
Manager, Gas Rates

Lett92