

..DID: 8368
..TXT:

NIAGARA MOHAWK POWER CORPORATION

April 26, 1999

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

Dear Secretary Renner:

Attached for filing in accordance with the requirements of the Public Service Commission of the State of New York is Niagara Mohawk Power Corporation's (Niagara Mohawk or Company) tariff amendments in compliance with the Public Service Commission's Opinion 99-3 and Order Concerning Uniform Business Practices issued and effective February 16, 1999 in Case 98-M-1343 - In the Matter of Retail Access Business Rules as modified by the Commission Notice to the Parties issued March 5, 1999 and Order Granting Portions of Petitions for Rehearing issued and effective April 15, 1999.

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To: PSC No. 218 Gas

Effective: June 1, 1999

This filing constitutes the Company's compliance with the Commission's Opinion 99-3 issued and effective February 16, 1999 in Case 98-M-1343. The Commission on March 5, 1999 provided additional time until April 26, 1999 for compliance filings and extended from May 1, 1999 to June 1, 1999 the date upon which the compliance filings will become effective on a temporary basis. The tariff modifications include changes to the Company's S.C. 11 Service Classification - Load Aggregation.

As the Commission is aware, implementation of some of the Uniform Business Practices require changes to the Company's newly implemented Customer Service System (CSS). Some of the changes can be made by the June 1, 1999 implementation date. However, due to the complexity of the changes to system programming logic, some of the changes cannot be fully implemented until November 1, 1999. In cases where the programming changes can not be completed until November 1, the Company has made every effort to develop administrative

procedures to allow the Uniform Practices to be implemented June 1, 1999, prior to completion of the system changes.

However there are several cases where administrative procedures were not feasible or desirable. As provided for in the Order at 8 (Footnote 1), utilities may petition for temporary waivers or modifications of specific provisions of the Uniform Business Practices as part of their filings. Included as part of this filing are requests for schedule waivers for two specific business practices. Implementation of these practices would significantly increase net costs to the Company at this time. Beyond the cost issues, it is not technically feasible to make the necessary changes to the Customer Service System by June 1, 1999. These changes require modifications to modules of the system for which it is appropriate to have a limited number of individuals involved in the change to ensure appropriate coding. The changes necessary to implement these two practices will be completed by November 1, 1999. Additional justification is provided below.

The schedule waivers requested below do not include a waiver previously granted by the Commission in Opinion 99-3 for provision of historic customer data. The Opinion at page 46 notes that "NMPC requests that it be allowed temporarily to supply less than 24 months of historic data because its system currently retains only 14 months of information. Its system will, over time, store the full 24 months of data." The Opinion indicates that "NMPC's request is granted, so long as it continues to expand the storage to reach the 24 month requirement in 1999". This waiver is still required and the Company's new Customer Service System is expanding storage so as to achieve the required history.

Schedule Waivers

Niagara Mohawk seeks schedule waivers on the implementation of the following three rules.

New Delivery Customer Requirements:

In order to meet the uniform practices for New Delivery Customers significant Customer Service System changes are required that will not be completed until November 1, 1999. When the system was initially specified and designed it was anticipated that new customers would be initiated as bundled service customers. Significant changes to the programming logic are required to implement this Uniform Business Practice. The Company requests a waiver for this requirement until November 1, 1999.

As an alternative to a schedule waiver, the Company has endeavored to develop an administrative procedure to implement this practice. The administrative procedure would require the Company to enter new customers initiating service with a Marketer into our system as though they will receive bundled Company service (delivery service and Gas Supply Service). At the time the customer is to be billed, the bundled service bill will be "pulled" and canceled. The customer will then be rebilled by the Company for delivery service only. The customer will receive only the bill for the Company's delivery service. The initial bundled bill will never be sent, however the bill the customer will receive from the Company will indicate "REBILL". This administrative procedure will require additional labor to process. In addition, the initial bundled bill will create a "shadow transaction" in the Customer Service System showing a period of bundled service that did not actually take place. Because of the potential of creating customer confusion with an initial bill under ESCo service stating "REBILL", the additional administrative burden and the creation of the "shadow transaction" the Company does not believe this administrative procedure is desirable.

Accordingly, the Company requests a schedule waiver for implementing the uniform business practice for New Delivery Customers until November 1, 1999.

Switching Fees:

The Uniform Business Practices require that all switches from the utility to an alternate supplier be at no charge. Additionally, there may be no charges for involuntary switches. Also, there will be no charge for the first voluntary switch (per commodity) from a Marketer to another Marketer during the 12 month period following the customer's initial participation with Supplier Select. All other voluntary switches may be charged at \$10. The Uniform Business Practices also allow utilities to require customers that voluntarily switch back to the utility continue service with the utility for a 12 month period before they could again switch to a Marketer.

To implement these rules extensive changes to the programming logic of the Company's Customer Service System must be made. These changes will be necessary to track switch dates for each individual customer. These changes will not be completed until November 1, 1999. Therefore, the Company will waive the switching fee until such time as our Customer Service System can be modified to appropriately track the customer switches.

One-Bill Option and Billing Agency:

The filed tariffs do not provide for Billing Agency agreements as described in the Order. The Order clearly states at page 78 that Billing Agency arrangements "should be restricted to those situations where the utility consents". Niagara Mohawk does not believe that Billing Agency agreements are in the best interest of the Company or its customers and therefore has not included provisions for such Billing Agency agreements in this filing. The expressed purpose for Billing Agency agreements is to provide customers that desire one bill for both their commodity and delivery charges with that option (Order at 76).

The Company's tariff changes filed herein propose a One-Bill Option where the Marketer charges will be included as separately stated charges on the Company's bill. The Company's new Customer Service System (CSS) has not yet been modified to incorporate a One-Bill Option for gas customers. In that this option is already offered to the Company's electric customers the Company has included this option in this tariff filing in order to achieve Uniform Business Practices on behalf of our customers. However, modifications to the Company's billing system will require a schedule waiver until November 1, 1999. The Company hereby requests this schedule waiver for implementation of the One-Bill Option for gas service.

The Commission's Opinion 99-3 requires that all Marketer questions concerning invoices be directed to a pre-specified department (by department name and telephone number) within the Company. The Company's tariff does not include these contact names and phone numbers. However, when Marketers are enrolled in the Supplier Select Program they will be informed of the appropriate Niagara Mohawk contact.

Newspaper Publication

As indicated in Ordering Clause 2, the requirements of Section 66(12)(b) of the Public Service Law as to newspaper publication of these amendments is waived for this filing.

Inquiries on this Filing

Anyone with questions regarding this filing may call Janice Bailey at 315-460-4041 or Marcia Collier at 315-428-5777.

Sincerely;

Marcia G. Collier
Manager, Gas Rates