

..DID: 15860

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NIAGARA MOHAWK POWER CORPORATION

June 1, 2001

Honorable Janet Hand Deixler
Secretary
State of New York
Public Service Commission
Three Empire Plaza
Albany, New York 12223

RE: Case No. 99-E-0503
In the Matter of the Rules and Regulations of the Public Service Commission,
Contained in 16 NYCRR in Relation to Complaint Procedures - Appeal of Niagara
Mohawk Power Corporation of the Informal Decision Rendered in Favor of City Mission
Society, filed
in C. 26358.

Dear Secretary Deixler:

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

Ninth Revised Leaf No.	134
First Revised Leaf No.	136.1
Original Leaf No.	136.2
Original Leaf No.	136.3
Second Revised Leaf No.	213.2

To P.S.C. No. 218 Gas

Effective: September 3, 2001

Purpose

The purpose of this filing is to amend the applicability criteria for entry into the SC1 Residential Service Classification under P.S.C. No. 218 Gas and to file the plan required in the above referenced case.

Introduction

In its Order issued and effective April 3, 2001 in Case No. 99-E-0503, "In the Matter of the Rules and Regulations of the Public Service Commission, Contained in 16 NYCRR in Relation to Complaint Procedures - Appeal of Niagara Mohawk Power Corporation of the Informal Decision Rendered in Favor of City Mission Society, filed in C. 26358", the Commission directed Niagara Mohawk to file a plan, within 60 days of the effective date of the Order, (i) to provide notice to affected customers of eligibility for the SC1 residential rate pursuant to Public Service Law Section 76; (ii) to identify, upon request, other religious entities similarly situated to City Mission; (iii) to provide the SC1 residential rate to any accounts improperly classified; and (iv) to provide six years of refunds from the date of a request for billing at the SC1 residential rate. The following sets forth Niagara Mohawk's plan.

The Plan

Upon the effective date of the Company's proposed tariff leaves, Niagara Mohawk will send letters, via first class mail, to (i) customers holding the 269 accounts (both electric and gas) originally reviewed by the Company; (ii) customers with complaints pending with the Department of Public Service seeking residential rates under Section 76 of the Public Service Law; and (iii) customers identified as similarly situated to the Buffalo City Mission Society. The letters will inform the customers of the eligibility criteria for the SC1 residential rate, as set forth in the revised tariff leaves, and invite them to complete and return a questionnaire if they believe that they may qualify for the SC1 residential rate. The letters will advise the customers that, in order to qualify for any refunds, they must complete and return the questionnaire within three (3) months from the date of the letter. The customers who return information outside the three (3) month time limitation will be considered for eligibility for the SC1 Residential Service Classification for future application, but will not be eligible for any retroactive refunds. The customers will also be requested to submit evidence of their status as religious entities. This evidence may include, but not be limited to, copies of articles of incorporation as religious corporations, charters, letters from recognized religious organizations, eligibility designations from the Internal Revenue Service, and other documentation of the religious nature of the organization. Proof of tax exempt status will not be required. Copies of the proposed letter and of the accompanying questionnaire are included as part of the Company's companion Electric Filing filed on May 31, 2001.

Upon receipt of a timely-returned questionnaire and accompanying evidence of the status of the customer as a religious entity, the Company will review the submitted materials and account files to determine the customer's eligibility for the SC1 residential rate. A site visit may be conducted if Niagara Mohawk deems it necessary.

For any customer whose account is determined to be eligible for the SC1 residential rate, Niagara Mohawk will recalculate the account's charges under the SC1 residential rate for the six-year period prior to the date of the Company's receipt of the customer's complete documentation and ascertain, based on the documentation and the refund calculation, whether the customer would have had lower bills under non-residential rates or under the SC1 residential rate.

If the customer would have had lower bills under the SC1 residential rate, Niagara Mohawk will send a letter, via first class mail, informing the customer that (i) it qualifies for the residential rate, (ii) the account has been changed to the SC 1 residential rate, (iii) it qualifies for a refund in a stated amount representing the difference between what the customer paid the Company and the lower amount the customer would have paid under the SC1 residential rate, plus interest, during the period prior to Niagara Mohawk's receipt of the customer's complete documentation in response to the Company's notice letter and questionnaire, not to exceed six years, and (iv) future savings under the SC1 residential rate are not assured. Upon customer acceptance of the stated refund and returned W-9, Niagara Mohawk will process the refund.

If the customer would not have had lower bills under the SC1 residential rate, the Company will send a letter, first class mail, informing the customer that Niagara Mohawk has reviewed that account and determined that it is the Company's opinion that the customer would not benefit from transferring to the SC1 residential rate, but the customer has the right to elect to transfer to such a rate.

For customers whose accounts are determined to be ineligible for the SC1 residential rate, Niagara Mohawk will send letters, via first class mail, informing them of the determination and explaining the reason or reasons therefore.

Also, waiver of newspaper publication as required by 16NYCRR 720-8.1 is requested for this filing due to the fact that the Company will be sending a letter to all affected customers informing them of their options under the terms and conditions set forth in the plan.

Please advise the undersigned of any actions taken on this filing. Inquires regarding this filing

should be direct to Ms. Lynette Christensen, (315) 428-3344.

Sincerely,

Marcia G. Collier
Manager Gas Rates

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