

NIAGARA MOHAWK POWER CORPORATION
A **National Grid** Company
300 Erie Boulevard West
Syracuse, New York 13202
January 26, 2005

Honorable Jaclyn A. Brilling, Secretary
State of New York
Public Service Commission
Office of the Secretary, 19th Floor
Three Empire State Plaza
Albany, NY 12223-1350

Dear Secretary Brilling:

The attached leaf, issued by Niagara Mohawk Power Corporation ("Company"), is being transmitted for filing in accordance with the requirements of the Public Service Commission ("Commission"), State of New York.

Second Revised Leaf No. 101

To PSC No. 219 Gas

Effective: April 18, 2005

The purpose of this filing is to propose revisions to Rule No. 21 - Payment of Interest on Customer Overcharges contained in PSC No. 219 Gas. Specifically, the Company is proposing to revise Rule No. 21.1.3 in regards to the manner the Company refunds customer overpayments and interest when the overpayments were caused by a Company error.

On April 5, 2004 in Case No. 04-G-0460, the Company submitted a filing to revise the current Rule No. 21.1.3 which states that: "The total refund amount, overpayment and interest, will be first applied to the past due balance on the customer's account. Any remaining balance will be paid to the customer by check, unless the customer directs the Company otherwise." This policy was originally established in the tariff because the Company's billing system at that time, Customer Information System ("CIS"), was not capable of tracking customer credits on bills on an ongoing basis. The Company, therefore, was required by the constraints of the system to issue checks for refunds of remaining balances, rather than applying credits to ongoing bills.

The current billing system, Customer Service System ("CSS"), is now capable of tracking these credits and applying these credits, unless otherwise directed by the customer, on an ongoing basis. The above filing revised the current tariff to incorporate the capabilities of the new system and apply these credits, unless otherwise directed by the customer, on an ongoing basis.

After discussions between Staff of the Public Service Commission and Staff of Niagara Mohawk, it was decided to withdraw this filing and re-file further tariff revisions incorporating these changes at a later date. This filing further revises the above leaf to be consistent with these discussions.

The notice required by the State Administrative Procedures Act ("SAPA") is enclosed for this filing.

Waiver of newspaper advertisement is requested for this filing because this requirement was fulfilled with the original filing of April 5, 2004.

Any questions regarding this filing may be directed to Ms. Lisa M. Kiley, Manager, Accounts Processing at (315) 460-7030.

Please contact the undersigned of any action taken regarding this filing.

Sincerely;

Marcia G. Collier
Manager, Gas Pricing

MGC/jsc (S:/tariffs/219tariff/docfile/letters/lett84.doc)
Attachments