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NIAGARA MOHAWK POWER CORPORATION
300 Erie Blvd. West
Syracuse, New York 13202

October 26, 2004

Honorable Jaclyn A. Brilling, Secretary
Public Service Commission
3 Empire State Plaza
Albany, New York 12223

RE: Case No. 01-M-0075
Joint Proposal of Niagara Mohawk Power Corporation, National Grid plc
and National Grid and National Grid USA for Approval of Merger and Stock Acquisition

Dear Secretary Brilling:

Enclosed for filing with the New York State Public Service Commission (the "Commission") are an original and three copies of Niagara Mohawk Power Corporation's ("Niagara Mohawk" or "Company") tariff amendments in compliance with the Commission's Opinion No. 01-6, Opinion and Order Authorizing Merger and Adopting Rate Plan, issued and effective December 3, 2001, and Order issued November 5, 2003, Compliance Filing to Update Market Price Forecast and Reset Competitive Transition Charges in Retail Delivery Rates.

Identification of Tariff Amendments

Seventeenth Revised Leaf No. 7
Seventeenth Revised Leaf No. 19
Fifteenth Revised Leaf No. 59
Twelfth Revised Leaf No. 72
Eighteenth Revised Leaf No. 82

To P.S.C. No. 214

Effective: January 1, 2005

Description of the Filing

On August 1, 2003, the Company submitted to the Commission the First Competitive Transition Charge Reset Compliance Filing ("First CTC Reset Filing") pursuant to Case No. 01-M-0075 ("Joint Proposal"). This filing was intended to implement Niagara Mohawk's obligation under the Rate Plan to reset the Competitive Transition Charges ("CTC") in retail delivery rates to reflect the forecast of the market price of electricity in the coming two years. This filing was approved by the Commission and the Company implemented the rates and charges that became effective January 1, 2004 for the first year of the CTC Reset period. The prices set forth in those rates and charges will remain in effect through December 31, 2004.

The Joint Proposal and First CTC Reset Filing also contemplated that the allocation of the revenues collected under the Rate Plan between CTC charges and other delivery charges would change

each year as shown in Attachment 3, Schedule 6 of the November 6, 2002 filing as amended as shown in Attachment 2, Schedules 1.1 and 1.2 of the August 1, 2003 filing. The Distribution Delivery and CTC price components of such Delivery prices are to be adjusted each year so that Niagara Mohawk will recover its ongoing costs of providing delivery service each year, and recover the agreed upon amount of stranded costs over the ten-year term of the Joint Proposal.

Accordingly, the Company filed revisions incorporating the above revisions to PSC No. 214 Electricity Delivery prices for the calendar year 2005 on October 1, 2005 in accordance with the prices established and presented in the First CTC Reset Filing of August 1, 2003.

After discussions and further review by Staff of the Public Service Commission and Staff of Niagara Mohawk, it was decided that the rates on the leaves included with this filing would need to be further revised in accordance with the above Agreement. Revisions have been made to the delivery rates of all Service Classifications of P.S.C. No. 214 in view of these further discussions.

Newspaper Publication

Waiver of Newspaper publication is requested for this filing in accordance with Public Service Law 66(12)(b). These obligations were fulfilled with the original filing of October 1, 2004.

Anyone with questions regarding this filing may call or write the undersigned. Copies of this filing will be served on all active parties in the proceedings by U.S. Mail.

Respectfully submitted,

Patricia J. Rivers
Senior Rate Analyst
Electric Pricing Department
(315) 428-6833

PJR

Attachments

xc: Hon. Joel A. Linsider, Administrative Law Judge
All Active Parties