NIAGARA MOHAWK POWER CORPORATION
A **National Grid** Company
300 Erie Boulevard West
Syracuse, New York 13202
November 23, 2004

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

RE: Case No. 03-M-0117 - In the Matter of the Implementation of Chapter 686 of the Laws of 2002

Dear Secretary Brilling:

The enclosed tariff leaf, issued by Niagara Mohawk Power Corporation ("Company"), is transmitted for filing in compliance with Order of the Public Service Commission ("Commission"), State of New York issued and effective October 25, 2004 in Case 03-M-0117.

Third Revised Leaf No.   189

To PSC No. 219 Gas

Effective: November 24, 2004

On June 18, 2003, Chapter 686 of the Laws of 2002 became effective requiring Marketers and other entities providing or facilitating the provision of gas and electric service to residential customers to comply with provisions of the Home Energy Fair Practices Act ("HEFPA"). In addition, this law authorized Marketers to request discontinuance of delivery service for non-payment of commodity service to residential customer's receiving consolidated bills after compliance with certain HEFPA procedures.

On September 2, 2003, the Company submitted leaves in compliance with this Order on one day's notice, to become effective on a temporary basis on September 3, 2003. With this filing, the Company submitted Rule No. 3E to Service Classification No. 11 containing charges for Marketer initiated disconnection and re-establishment of services. These proposed charges would be the responsibility of the Marketer requesting suspension.

Upon further review by the Public Service Commission, it was determined that the Laws of 2002 and Order issued June 20, 2003 only directed the utilities to file disconnection charges and not re-establishment charges and asked the Company to voluntarily remove these re-establishment charges from the tariff. The Company complied with this request on July 13, 2004 with revised tariff leaves which became effective on July 14, 2004.

The Commission issued an Order Modifying Suspension Fees and Other Tariff Provisions and Granting Further Relief on October 25, 2004. Ordering Paragraph 1 of this Order requires the Company to file to become effective, on a temporary basis, on one day's notice, modified tariff leaves that establish that suspension fees applicable to Marketers are set equal to the reconnection fees otherwise applicable to residential customers, except that the suspension fees may be reasonably updated for inflation since the time the reconnection fees were last made permanent. The tariff leaf filed herein incorporates this required modification.

Niagara Mohawk's last change in Gas Reconnection Fees set forth in Rule 20 of PSC No. 219 Gas were last modified and became effective January 1, 2001 as approved by the Commission's Order Issued and Effective December 29, 2000 in Case 00-G-1344. The October 23, 2000 Filing which became effective on January 1, 2001 set the reconnection fees at $41.00 during normal business hours. This rate, adjusted for inflation, results in a fee to be charged to Marketers of $44.67. Third Revised Leaf No. 189 filed herein contains this revision. The Company has used the Gross Domestic Product (GDP) as a basis for the rate of inflation.

This filing also includes a revision to Leaf 189 in order to comply with Ordering Paragraph 3, which requires suspension fees be reduced by 50% where a residential customer's delivery service is contemporaneously shut off both for the Marketer for commodity service and for the Company for delivery service.

The requirements of Section 66(12)(b) of the Public Service Law for newspaper publication of the tariff revisions filed herein is waived in accordance with Ordering Paragraph 6 of the October 25, 2004 Order.

Please advise the undersigned of any action taken in regards to this filing.

Sincerely,

Marcia G. Collier
Manager, Gas Pricing

MGC/jsc (S:Tariffs/219tariff/docfiles/letters/Lett73)