

September 24, 2004

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

Dear Secretary Brilling:

The attached Statement issued by Niagara Mohawk is being transmitted for filing in accordance with the requirements of the Public Service Commission, State of New York.

Statement of Commodity Adjustment Charge Statement No. 36 To P.S.C. No. 214 Electricity

Effective: September 24, 2004

The above Statement of Commodity Adjustment Charge (CAC) is being filed per P.S.C. No. 207 Electricity, Rule No. 29 - Delivery Charge (DCA). Specifically, Rule No. 29.2 adjusts the Delivery Charge Adjustment prices for deviations between actual cost of unhedged energy and capacity for purchased power, and Electricity Supply Service (ESS) revenues collected from customers in their service bills.

Statement of Commodity Adjustment Charge No.36 is effective September 29, 2004 for batch billings and October 1, 2004 for calendar month billings.

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

Sincerely,

James J. Bonner, Jr. Manager – Electric Pricing

PJR Attachments