

# Niagara Mohawk

A **National Grid** Company



February 3, 2004

Honorable Jaclyn A. Brillling, Secretary  
State of New York  
Public Service Commission  
Office of the Secretary  
Three Empire State Plaza  
Albany, NY 12223

RE: Case 94-E-0952 – In the Matter of Competitive Opportunities Regarding Electric Service.  
Order Continuing and Expanding the System Benefits Charge for Public Benefits, Issued and  
Effective January 26, 2001

Dear Secretary Brillling:

The attached System Benefits Charge (“SBC”) Statement issued by Niagara Mohawk Power Corporation is being transmitted for filing in accordance with the requirements of the Public Service Commission, State of New York:

Statement of System Benefits Charge No. 7

To P.S.C. No. 214 Electricity

Effective: March 1, 2004

This filing is issued in compliance with Ordering Clause No. 4 in the Order mentioned above. The Ordering Clause requires the Company to design its SBC collection rate on an annual basis to correspond to its collection allocation and the yearly projections of the upcoming year’s electric sales with any over or under collections reconciled on an annual basis. Accordingly this filing presents the SBC reconciliation for the calendar year 2003 and the development of a revised SBC collection rate. A companion PSC No. 207 Electricity Filing has also been submitted to the Commission on this date.

The attachments included with the companion PSC No. 207 filing presents the development of the revised SBC collection rate. Additionally this filing complies with the Company’s objective, as stated in its 2001 SBC reconciliation compliance filing letter dated February 11, 2002, that it will submit the annual SBC reconciliation filings to the Commission in February with an effective date for the revised SBC collection rate of March 1 for each subsequent year.

The Company proposes that the revised SBC collection rate of \$0.001476/kWh become effective on March 1, 2004 and remain in effect through February 28, 2005. It is projected the revised collection rate will recover \$38,266,191 during the period twelve months ending

February 28, 2005 which consists of the Company-specific annual collection allocation of \$39,870,125 and the 2003 reconciliation amount of (\$1,603,934).

The attachments included with the companion PSC No. 207 filing supports the SBC reconciliation calculation and the development of the proposed SBC collection rate. All attachments are footnoted accordingly to describe the calculations used and the input data required to perform the reconciliation and the development of the proposed SBC collection rate. The attachments included with the PSC No. 207 filing are as follows:

- Attachment 1: Development of the 2003 SBC Reconciliation Adjustment
- Attachment 2: Forecast SBC Collections for Calendar Year 2003
- Attachment 3: Actual SBC Collections During the Period January – December 2003
- Attachment 4: SBC Applicable Sales (kWh) for the Recovery Period
- Attachment 5: Development of SBC Collections Rate

Please direct any action regarding this filing to the undersigned.

Sincerely,

George A. Bauman  
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GAB  
Attachments

Fax: