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

July 19, 2000

Honorable Janet H. Deixler, Secretary
Public Service Commission
3 Empire State Plaza
Albany, New York 12223

RE: Case Nos. 94-E-0098 and 94-E-0099
Proceedings on Motion of the Commission as to the Rates
Charges, Rules and Regulations of Niagara Mohawk Power Corporation
for Electric Service and Electric Street Lighting Service

Dear Secretary Deixler:

The attached leaves issued by Niagara Mohawk are transmitted for filing
in accordance with the requirements of the Public Service Commission, State of
New York:

Seventh Revised Leaf No. 72
Twelfth Revised Leaf No. 73

To PSC No. 214 Electricity

Effective: October 1, 2000

The purpose of this filing is to revise the above leaves which were
originally submitted to the Commission on May 4, 2000 in Case Nos. 94-E-0098
and 94-E-0099 in compliance with the Public Service Commission's: 1) Opinion
No. 98-8, Opinion and Order Adopting Terms of Settlement Agreement Subject to
Modifications and Conditions, issued and effective March 20, 1998 and 2) Order
Concerning Tariff Amendments Setting Rates for All Customer Classes and
Implementing a Retail Access Program, issued and effective August 26, 1998.

The above tariff revisions unbundles the proposed Basic Service Charge
per Location for S.C. No. 4 Traffic Control-Unmetered Service. Currently the
proposed Basic Service Charge of \$25.43 consists of distribution and
transmission services and the recovery of their respective revenues. After
discussions with the PSC Staff, the Company has agreed to bifurcate the
recovery of the two types of services from the currently proposed Basic
Service Charge. It is proposed with this filing the distribution service
revenue still be recovered in the fixed Basic Service Charge per location, but
that the transmission service revenue be now collected on a volumetric, per
kWh, basis. By this revisions traffic control customers that install more
energy efficient traffic control technologies will realize greater savings
since the transmission service recovery would be based on kilowatthours
consumption.

The following presents the development of the proposed charges and is
based on S.C. No. 4 statistics as presented in the May 4, 2000 filing's
workpapers, specifically pages 82 and 83.

Distribution Service Rate Recovery:

1. \$1,212,722 divided by 4,367 Locations = \$277.70
2. \$277.70 per year divided by 12 months = \$23.14 per month, Basic
Service Charge, per Location.

Transmission Service Rate Recovery:

1. \$120,031 divided by 25,866,420 kWh = \$0.00464

Waiver of newspaper publication is requested for this filing. These requirements were fulfilled with the original filing and made on May 25, June 1, June 8 and June 15, 2000.

Very truly yours,

George A. Bauman
Manager - Rate Administration

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Enclosure
LETT018