

..DID: 6985
..TXT:

NIAGARA MOHAWK POWER CORPORATION

January 29, 1999

Honorable Debra Renner
Acting Secretary
State of New York
Department of Public Service
Three Empire Plaza
Albany, New York 12223

Dear Acting Secretary Renner:

Attached for filing in accordance with the requirements of the Public Service Commission of the State of New York are the following tariff leaves:

Second Revised Leaf No.	184.1
Fourth Revised Leaf No.	190
Fourth Revised Leaf No.	191
Second Revised Leaf No.	192
Second Revised Leaf No.	193
Third Revised Leaf No.	194
Third Revised Leaf No.	195
First Revised Leaf No.	196
Third Revised Leaf No.	197

To P.S.C. No. 218

Effective: April 1, 1999

On October 16, 1998, and as further revised on November 11, 1998, the Company filed a tariff revision in order to implement a Pilot Program which implemented a limited waiver of mandatory assignment of upstream interstate pipeline capacity. This filing has been designated Case 98-G-1590. The Commission's orders dated November 4, 1998 and November 13, 1998, approved the Company's Pilot Program.

The Commission's November 13, 1998 order also approved the Company's petition for a limited waiver of ordering paragraph 1 of the Commission's November 3, 1998 Policy Statement Concerning the Future of the Natural Gas Industry in New York State (Policy Statement). That ordering paragraph eliminates mandatory assignment of capacity previously allowed by the Commission's March 28, 1996 order in Case 93-G-0932. This limited waiver allows the Company to continue to assign CNG Transmission Corporation (CNG) capacity through October 31, 1999.

Ordering Paragraph 1 of the November 3, 1998 order also requires Niagara Mohawk to file proposed tariffs by no later than February 1, 1999, to conform its tariff with the requirement to eliminate mandatory capacity assignment.

The changes included herein represent changes to the Company's Pilot Program which are necessary to comply with the elimination of mandatory assignment of capacity upstream of CNG required by ordering paragraph 1 of the Policy Statement. Consistent with the Commission's orders approving the Pilot Program, and the Company's December 31, 1998 demonstration that its specific operational and reliability requirements continue to warrant mandatory assignment of capacity on CNG, the Company's filing continues mandatory assignment of CNG capacity unless certain conditions are met.

Newspaper publication of the proposed changes as required by NYCRR 270.70 will be made on February 10, 17, 24 and March 3, 1999.

Please advise either myself or Robert E. Shanning of any actions taken on this filing. I can be reached at 315-428-5777 and Mr. Shanning can be reached at 315-460-4024.

Sincerely,

Marcia G. Collier
Manager Gas Rates