

..DID: 18243  
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**NIAGARA MOHAWK POWER CORPORATION**

January 29, 2002

Honorable Janet Hand Deixler  
Secretary  
State of New York  
Public Service Commission  
Three Empire Plaza  
Albany, New York 12223

Dear Secretary Deixler:

Attached for filing in accordance with the requirements of the Public Service Commission of the State of New York is the following Statement:

Statement of Net Revenue Sharing Surcharge

To P.S.C. No. 218 Gas

Effective: February 1, 2002

The Company files this Statement per Rule 26.1 of its P.S.C. 218 Gas Tariff in compliance with the Gas Rate and Restructuring Settlement Agreement in Case 99-G-0336. This rule requires the Company to submit for review and approval its calculation of any net revenue sharing refund or recovery. The resulting calculation for the twelve months is a surcharge of \$.00118 per therm.

Workpapers supporting the \$.00118 per therm surcharge have been sent directly to the Commission's Staff.

The resulting under-collection for the period twelve months ending October 31, 2001 is \$896,767. This balance includes the transfer of a remaining balance of an over-collection for the period twelve months ending October 1999.

Please advise the undersigned of any actions taken on this filing. I can be reached at (315) 428-5432.

Sincerely,

Marcia G. Collier  
Manager Gas Rates

Lett196  
MGC/jsc (L:Tariffs/218tarif/wpdfiles/letters/lett196)