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NIAGARA MOHAWK

December 23, 1997

Honorable John C. Crary Secretary Public Service Commission 3 Empire State Plaza Albany, New York 12223

Dear Secretary Crary:

Statement of Cost of Fuel Adjustment No. 7 to P.S.C. No. 214 Electricity, effective December 31, 1998 for batch billings and January 1, 1998 for calendar month billings is filed herewith.

Should you have any questions, in regards to this filing, please contact me on (315) 428-6819.

Very truly yours,

Jerry Masztaler Rate Analyst

JM Enclosure Niagara Mohawk Power Corporation, 300 Erie Blvd., West, Syracuse, NY 13202 (315) 474-1511