

NIAGARA MOHAWK POWER CORPORATION
A **National Grid** Company
300 Erie Boulevard West
Syracuse, New York 13202
January 19, 2005

Honorable Jaclyn A. Brillling, Secretary
State of New York
Public Service Commission
Office of the Secretary, 19th Floor
Three Empire State Plaza
Albany, NY 12223-1350

Re: Case 02-M-0515

Dear Secretary Brillling:

The enclosed tariff leaves, issued by Niagara Mohawk Power Corporation, A National Grid Company ("Company"), are transmitted for filing in accordance with the requirements of the Public Service Commission of the State of New York ("Commission").

Second Revised Leaf No. 216
First Revised Leaf No. 216.1
Second Revised Leaf No. 230

To PSC No. 219 Gas

Effective: January 21, 2005

On November 2, 2004, the Company filed revised tariff leaves in compliance with the Commission's August 4, 2004 Order in Case 02-M-0515. The August 4, 2004 Order required Niagara Mohawk and other gas utilities to file tariff leaves instituting firm delivery service for Residential Customers with Distributed Generation equipment within 90 days after the issuance date of the Order.

The Commission's Staff have requested changes to Leaf Nos. 216 and 216.1. The tariff leaves filed herein, reflect the changes requested by the Commission's Staff. In addition, the Company has filed a clarifying change to Leaf 230, which is the Company's Form A – Application for Gas Service.

The revision to Leaf No. 216 deletes the sentence in the "Applicable to Use of Service For" section which states that "The electricity generated must be used solely to supply all or part of an individual customer's electrical and/or thermal requirements at a specified building or premise." This sentence is deleted in order to ensure that the qualification criteria for this Service Classification are identical to the qualification criteria for Service Classification No. 1.

The changes to Leaf No. 216.1 add a sentence to the "Approved Remote Metering" paragraph to clarify that the customer will not be required to provide a dedicated phone line in instances where the Company installs an ARM at its own expense. In addition, the language contained in the "Customer Qualification" paragraph has been modified. This paragraph allows the Company to perform load shape analysis to monitor the customer's continued eligibility for the SC13 Service Classification. The change, incorporated at the request of the Commission's Staff, indicates that customers will only be switched to SC1 if the installed Distributed Generation equipment is no longer

operational or has been removed. The customer cannot be switched back to SC1 solely due to their load or load factor being less than expected.

Finally, Leaf 230 has been modified to incorporate a clarifying change to the Company's Form A – Application for Gas Service. This change clarifies that both new and existing customers applying for SC13 Distributed Generation Service – Residential must complete the Form A and are required to indicate whether they are a new or existing customer.

The Company requests waiver of newspaper publication of the proposed changes as required by 16NYCRR 720-8.1 in that the modification is a clarifying change only, is consistent with the Company's existing practice, and therefore has no material effect on the Company's ratepayers.

Please advise the undersigned of any action taken in regards to this filing.

Sincerely,

Marcia G. Collier
Manager, Gas Pricing

MGC/jsc (S:Tariffs/219Tariff/Docfiles/Letters/Lett82)