

NIAGARA MOHAWK POWER CORPORATION

A **National Grid** Company

300 Erie Boulevard West

Syracuse, New York 13202

September 2, 2003

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

RE: Case No. 99-M-0631 - In the Matter of Customer Billing Arrangements/
Case No. 03-M-0117 - In the Matter of Implementation of Chapter 686 of the Laws of 2003/
Order Relating to Implementation of Chapter 686 of the Laws of 2003 and Pro-Ration of Consolidated Bills

Dear Acting Secretary Brilling:

The enclosed leaves, issued by Niagara Mohawk Power Corporation ("Company") are transmitted for filing in compliance with Order of the Public Service Commission ("Commission"), State of New York issued and effective June 20, 2003 in Case No. Nos. 99-M-0631 and 03-M-0117.

First Revised Leaf No.	171
First Revised Leaf No.	172
First Revised Leaf No.	173
First Revised Leaf No.	198
First Revised Leaf No.	199
Original Leaf No.	199.1
First Revised Leaf No.	205
Original Leaf No.	205.1
Original Leaf No.	205.2

To P.S.C. No. 219 Gas

Effective: September 3, 2003

On June 18, 2003, Chapter 686 of the Laws of 2002 became effective requiring Energy Service Companies ("Marketers") and other entities providing or facilitating the provision of gas and electric service to residential Customers to comply with provisions of the Home Energy Fair Practices Act ("HEFPA"). In addition, this law authorizes Marketers to request discontinuance of delivery service for non-payment of commodity service to residential customers receiving consolidated bills after compliance with certain HEFPA procedures.

Public Service Law §32 directs a distribution utility to suspend distribution services by request of a Marketer upon termination of Marketer provided commodity service to a customer receiving a single bill, after the completion of certain procedures set forth in the law. Also, included in this Order was the directive of mandatory pro-ration of consolidated bills. This directive recognizes that Marketers and distribution utilities have an equal right

to receipt of payment. Proration provides that customer payments would be allocated to distribution and commodity services such that the customer's risk of a loss of service is minimized.

Ordering Clause No. 3 of the Order issued June 20, 2003, directed each gas corporation, electric corporation, and municipality providing residential gas or electric service to file tariff leaves to become effective within 75 days from the date of this Order, to conform with the requirements and procedures necessary to implement the requirements of Chapter 686. These leaves will become effective on a temporary basis and not become effective on a permanent basis until approved by the Commission.

Purpose

The purpose of this filing is to propose revisions to implement the changes necessary to implement the changes in the above Law. The changes contained in this filing include:

1. Service Classification 11, Discontinuance of Sales by Marketer to an Individual Customer, Paragraph 7 on Leaf No. 205 sets forth the Company's responsibilities in accordance with the new law in regards to Marketer initiated requests to disconnect and re-establish gas service to customers.
2. In Section G of the Termination and Suspension portion of the June 20, 2003 Order, it is directed that the distribution utility shall receive reasonable compensation from a Marketer, as determined by the Commission, for all Marketer initiated disconnection and reconnection of service for non-payment of commodity charges.

Service Classification No. 11 has been modified to add Paragraph 7F within the "Discontinuance of Sales by Marketer to an Individual" section. This paragraph states that all such disconnections and reconnections will be subject to the charges established by the Company in Case Nos. 99-M-0631 and 03-M-0117 and will be the responsibility of the Marketer requesting termination or reconnection. The specific charges to the Marketer can be found in Rule 5E on Leaf No. 199.

Workpapers explaining the basis of the calculation have been sent directly to the Commission Staff. The methodology utilized in these workpapers is consistent with the methodology used for the current charges in Rule 20 - Service Re-Establishment and Disconnection Charges approved by the Commission in Case Nos. 00-E-1406 and 00-G-1344, issued and effective December 29, 2000. The charges contained in this filing, however, have been updated for current wage rates, transportation costs, and various other charges. The Company will be requesting at a later date to update the charges in Rule 20 to be consistent with the charges filed in compliance with this Order.

3. Service Classification 11, Charges to Marketers/Direct Customers from the Company - Rule 5, specifically Rule 5E on Leaf No. 199 has been revised to set forth the charges to Marketers for Marketer initiated requests for disconnection and re-establishment of gas service to customers. The charge for disconnection is proposed to be \$37.67. The charge for reconnection during normal business hours is proposed to be \$52.32 and \$154.45 during other than normal business hours.

Ordering Clause No. 4 of the above Order directs each distribution utility and energy service company offering a consolidated bill, within 75 days from the date of this Order, to adopt after 15 days notice to customers and the non-billing party, pro-ration of partial payments in accordance with this Order. On August 15, 2003, the Commission issued an Order Extending Deadline to extend the 75 day deadline for the implementation of pro-rationing of customer partial payments to 60 days after the issuance of Order in these proceedings addressing the Petitions for Rehearing and Clarification of the June 20 Order.

In accordance with Ordering Clause No. 3 of the Commission's June 20, 2003 Order, the requirements of 16NYCRR 720-8.1 as to newspaper publication of these changes has been waived.

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

Sincerely,

Marcia G. Collier
Manager, Gas Pricing

MGC/jsc (S:/tariffs/tariff 219/docfile/letters/lett8)
Attachments