



November 18, 2004

Jaclyn A. Brillling
Secretary
New York State Public
Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

RE: Massena Electric Department

Dear Secretary Brillling:

Attached please find First Revised Leaves No. 29 through 33 of P.S.C. No. 2 – Electric for the Massena Electric Department (the “Company”) to be effective January 1, 2005. These are further revisions to Case 04-E-1143. The purpose of this rider is to implement an economic development program for industrial and commercial customers with the intention of attracting new customers and encouraging existing customers to expand their businesses in upstate New York. The rider is based on the plan implemented by the City of Jamestown in Case #02-E-1355.

The Town of Massena Electric Department (MED) is a municipal electric utility owned by the Town of Massena which is located on the St. Lawrence River in northernmost New York State. The Town purchased the electric distribution system from Niagara Mohawk Power Corporation (Niagara Mohawk) in 1981. The MED system now serves more than 9,000 customers providing businesses and residents with energy at rates that are among the lowest in the country. The implementation of this rider will help to encourage businesses to expand in the area or locate to the area thus improving the economic status of the region. While the discounts being offered are substantial, they still provide that new or expanding customers will cover incremental costs of the system.

The Company understands that under certain assumptions for Purchased Power costs, Economic Development Program (EDP) customers may not always receive a discount. If that circumstance occurs in the future, Massena expects that it may revise the discounts so that the contemplated savings to the EDP customer are assured.

The Company asks that questions regarding this filing be directed to:

Frank W. Radigan
Hudson River Energy Group
120 Washington Ave., 2nd floor
Albany, NY 12210 Tel: (518) 436-1628

Respectfully submitted,
For the Massena Electric Department

Frank W. Radigan