



August 1, 2016

Honorable Kathleen H. Burgess, Secretary  
State of New York  
Public Service Commission  
Office of the Secretary  
Three Empire State Plaza  
Albany, NY 12223

**RE: Case 14-M-0101-Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision – Order Adopting a Ratemaking and Utility Revenue Model Policy Framework**

Dear Secretary Burgess:

The enclosed leaves, issued by Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid”), are being transmitted for filing in compliance with the above order issued May 19, 2016 (the “Track Two Order”) by the Public Service Commission (“Commission”).

Second Revision Leaf No. 435  
Fourth Revised Leaf No. 436  
Second Revised Leaf No. 437  
Second Revised Leaf No. 440  
Fifth Revised Leaf No. 441

To PSC No. 220 Electricity

Effective: December 1, 2016

The Track Two Order provided directional guidance for long-term reform and a measured set of long-term actions designed to facilitate needed change and maintaining traditional principles of gradualism, equity and opportunity to earn fair returns on investment.

In accordance with Ordering Clause No. 5 of the Order, utilities were directed to file tariff revisions to Service Classification No. 7 – Standby Service to implement an offset tariff and reliability credit as proposed by the New York State Department of Public Service Staff and described in the body of the Order. These revisions were directed to be filed by August 1, 2016. The proposed revisions contained in this filing comply with the Order and set forth the changes as directed. As noted in the Order, these proposed tariff revisions will be noticed for comment and Commission consideration of filed comments and are proposed to become effective December 1, 2016 upon Commission review and approval.

On June 20, 2016, the Joint Utilities<sup>1</sup> filed a *Petition of the Joint Utilities for Reconsideration of the Order Adopting a Ratemaking and Utility Revenue Model Policy Framework* in Case 14-M-0101 (“Request for Reconsideration”). In the Request for Reconsideration, the Joint Utilities are seeking reconsideration of the Order’s stipulation that the reliability credit for standby service be based on the customer’s reductions in demand below their contract demand in two consecutive summers without regard to whether the reduction is attributable to performance of on-site generation. Additionally, Cubit Power One, Inc. filed a *Petition for Rehearing and Clarification* of the Track Two Order (“Petition for Rehearing”) alleging errors of fact in the computation of the reliability credit for standby service customers with little or no standby service. The Commission, in its June 30, 2016 *Notice with Respect to Request for Reconsideration and Petition for*

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<sup>1</sup> The Joint Utilities are comprised of Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid”), Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation.

Honorable Jaclyn A. Brillling, Secretary  
August 1, 2016

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Case No. 14-M-0101

*Rehearing*, provided parties until August 29, 2016 to file comments. As such, the tariff leaves included with this filing regarding the reliability credit may be subject to further revision and refiling pending the Commission's consideration of the Request for Reconsideration the Petition for Rehearing.

If you have any questions concerning this filing, please call Carol Teixeira at (315) 428-6104.

Sincerely,

*/s/ Carol Teixeira*

Carol Teixeira, Manager  
NY Electric Pricing

PJR/CT