



Pamela B. Dise
Director – NY Regulatory Pricing

June 27, 2014

VIA E-FILING

Honorable Kathleen H. Burgess, Secretary
State of New York
Public Service Commission
Office of the Secretary, 19th floor
Three Empire Plaza
Albany, New York 12223

RE: Case No. 09-M-0311 – Implementation of Chapter 59 of the Laws of 2009 Establishing a Temporary Annual Assessment Pursuant to Public Service Law §18-a(6) Order Implementing Revised Temporary State Assessment; Niagara Mohawk Power Corporation (Electric) – Annual Changes to Temporary Assessment Surcharge

Dear Secretary Burgess:

This following tariff leaf and statements are being submitted by Niagara Mohawk Power Corporation d/b/a National Grid (“Company”) with respect to its electric and street lighting operations in compliance with the New York State Public Service Commission’s (“Commission”) Order of June 18, 2014 in the above proceeding (“Order”).¹

Seventh Revised Leaf No. 263.1
Statement of Incremental State Assessment Surcharge No. 6
To PSC No. 220 Electricity

Statement of Incremental State Assessment Surcharge No. 3
To PSC No. 214 Electricity

Effective July 1, 2014

On April 7, 2009, New York State enacted the budget for 2009-2010, which required the Department of Public Service to collect a Temporary State Energy and Utility Service Conservation Assessment (Public Service Law (“PSL”) §18-a(6)) (“TSA”), effective from April 1, 2009 to March 31, 2014. On April 13, 2013, the New York State Legislature extended the TSA through March 2017, while decreasing the percentage associated with the assessment over time. In 2014, the Legislature further amended PSL §18-a(6) and the rate of the decrease was further accelerated.

¹ Case 09-M-0311, *Implementation of Chapter 59 of the Laws of 2009 Establishing a Temporary Annual Assessment Pursuant to Public Service Law §18-a(6)*, “Order Implementing Revised Temporary State Assessment” (issued June 18, 2014)

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In the Order, the Commission authorized recovery of the necessary revenues required to pay the TSA, including carrying charges, subject to reconciliation, from July, 1, 2014 through June 30, 2017 (or December 31, 2017, if applicable per the Order). The Commission required the affected utilities to implement collection methodologies that will: (i) eliminate any current deferral balance by June 30, 2015; (ii) factor in the reductions to the assessment in accordance with the amendments to PSL §18-a(6); and (iii) ensure that future deferral balances are minimized. The Commission imposed three different collection methodologies that consider whether the utility has over- or under-collected its assessment as of June 30, 2014 and, to the extent the utility has over-collected, the amount over-collected exceeds the estimated March 2015 assessment payment.

The Commission directed affected utilities to file any necessary tariff amendments and tariff statements within ten (10) days of issuance of the Order to become effective July 1, 2014, authorizing the collection, and in some case refunding, of the TSA for the periods outlined in the Order. These statements will become effective on a temporary basis and will not become effective on a permanent basis until approved by the Commission.

For the period from July 1, 2015 through December 31, 2017 (or June 30, 2017, if applicable per the body of the Order), each utility is authorized to file annual changes to their TSA surcharge on fifteen (15) days' notice.

The Company's computation of the Fiscal Year 2014/2015 Combined Temporary and General Assessment is shown in Attachment 1. This calculation is an estimate pending completion of the Company's FERC Form 1.² The Company will file a revised estimated assessment within thirty (30) days of the submission of the FERC Form 1.

The Company also includes as Attachment 3 the Company's reconciliation of the TSA payments to estimated ISAS recoveries plus applicable carrying charges net of taxes for the collection period July 1, 2013 through June 30, 2014.

Included with this filing are the following attachments:

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Attachment 1:

Page 1: Computation of Estimated 18-A Temporary State Assessment for State Fiscal Year 2014/2015

Page 2: Computation of Estimated 18-A Temporary State Assessment for State Fiscal Year 2015/2016

Attachment 2: Computation of Estimated ESCo Revenue

² The Company received an extension from FERC to September 30, 2014 to file its FERC Form 1. *Letter order granting National Grid USA's 2/6/14 et al request for an extension until September 30, 2014 to file the Fiscal Year supplemental Statements with CPA Certifications for the year ended March 31, 2013 et al under AC14-5 et al.*, issued March 5, 2014.

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Attachment 3: Annual Reconciliation of Estimated 18-A Temporary State Assessment Recoveries and Costs

Attachment 4: Estimated Temporary 18a Assessment Rate Design

In accordance with Ordering Clause Four of Order, the publication requirements of PSL §66(12)(b) and Commission rules (16 NYCRR §720-8.1) are waived.

Any questions regarding this filing should be directed to me at (315) 428-5172 or at pamela.dise@nationalgrid.com.

Thank you for your assistance and cooperation.

Sincerely,

Pamela B. Dise, Director
New York Regulatory Pricing

CC: Denise Gerbsch, DPS Staff
Carol Gnacik, Office of Administration – Finance & Budget Section
JoAnn Dollar, Office of Administration – Finance & Budget Section
Active Parties (via DMM)