



November 1, 2006

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

Dear Secretary Brillling:

Attached for filing by Niagara Mohawk Power Corporation, d/b/a National Grid in accordance with the requirements of the Public Service Commission of the State of New York is the following Statement:

Statement of Net Revenue Sharing Surcharge No. 5

To PSC No. 219 Gas

Effective: December 1, 2006

The Company files this Statement per Rule 26.1 of its PSC No. 219 Gas Tariff in Compliance with the Gas Rate and Restructuring Settlement Agreement in Case 99-G-0336. The Rule requires the Company to submit for review and approval by November 30th of each year its calculation of any net revenue sharing refund or recovery. The resulting calculation for the twelve months ending August 31, 2006 is a surcharge of \$0.008727 per therm. The surcharge is based on the sum of the amounts of \$6,474,078.61 under recovered for the twelve month period ending August 31, 2006, an amount of \$235,201.51 related to the unrecovered balance related to the Statement No. 4 surcharge and (\$151,774.57) related to prior periods divided by projected deliveries for the twelve month period beginning December 1, 2006 through November 30, 2007.

Work Papers supporting the \$0.008727 surcharge have been sent directly to the Commission's Staff.

Please advise the undersigned of any action taken on this filing at (315)-428-5613 or via e-mail to john.powers@us.ngrid.com.

Very truly yours,

John T. Powers
Principal Analyst, Gas Pricing

JTP/tlf (S:/tariffs/219tariff/docfile/letters/lett157)

Enclosures

cc: Lyle Van Vranken, PSC
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