national**grid**

August 29, 2006

Honorable Jaclyn A. Brilling, 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 Brilling:

Enclosed from Niagara Mohawk Power Corporation, d/b/a National Grid ("The Company") for filing, effective September 1, 2006, in accordance with the regulations of the PSC of the State of New York, are the statements listed as follows:

<u>Statement</u>	<u>Number</u>	<u>Applicable to</u> <u>Service Classes</u>
Monthly Cost of Gas Statement	MCG-39	1, 2, 3, 12 & 13
Interruptible Rate Statement	IRS-39	4
Transportation Rate Statement	TRA-39	1, 2, 5, 6, 7, 8, 9 & 11
NGV Rate Statement	NGV-39	10
Statement of Demand Transfer Recovery Rate	DTR-39	11

The MCG in Appendix 7-H format effective September 1, 2006, and the Historic Cost of Gas for the Twelve Months Ending July 31, 2006 have been sent directly to the Commission's Staff.

One complete hardcopy of the Monthly Cost of Gas in 7-H Format, including all workpapers required by the Commission's September 20, 1990 Order in Case 21656, is being forwarded to the Records Access Officer because The Company seeks confidential trade secret protection pursuant to Subpart 6-1 of the Commission's Regulations (16 NYCRR Subpart 6-1) for portions of workpapers to the Monthly Cost of Gas, Pages 1 through 13.

Very truly yours,

Marcia G. Collier Manager, Gas Pricing

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