



Marcia G. Collier
Manager Gas Pricing

May 10, 2006

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

Re: Case 03-G-1392

Dear Secretary Brillling:

The enclosed tariff leaves, issued by Niagara Mohawk Power Corporation, d/b/a National Grid ("Company"), are transmitted for filing in accordance with the requirements of the Public Service Commission of the State of New York ("Commission").

Second Revised Leaf No. 218
Second Revised Leaf No. 219
First Revised Leaf No. 219.1
First Revised Leaf No. 219.2

To PSC No. 219 Gas

Effective: May 11, 2006

The above listed tariff leaves are filed at the request of the Commission's Staff in order to include revisions to the Company's March 2, 2006 Filing in Case 03-G-1392.

The Company's March 2, 2006 tariff filing was filed in compliance with the Commission's November 23, 2005 Order in this proceeding in order to implement changes to the Value Added Charge (VAC) component of the Company's SC 14 Rate – Gas Transportation Service for Dual Fuel Electric Generators. Ordering Paragraph 2 of the November 23, 2005 Order required the Company to file tariff amendments to PSC No. 219 on not less than one day's notice effective March 15, 2006. The Commission's Staff has requested further revisions to the Company's March 2, 2006 filing.

The Commission's Staff has requested changes to the definition of Fuel Cost of Generation as set forth in Leaf No. 219. The Staff has requested that the Company use an average of the Common High and Midpoint prices as reflected in "Gas Daily" for Dominion Transmission Incorporated (DTI) for the day of flow as opposed to the midpoint price reflected in the Company's March 2, 2006 filing. Further, the Commission's Staff has requested that the Company utilize Dominion Transmission **South Point** price rather than the North Point price reflected in the original March 2, 2006 filing. If DTI South Point prices are not available, DTI North Point will be used.

The Commission's Staff has also requested that the Company clarify the definition of "New Electrical Generator" as set forth on Leaf 219. The definition has been modified to clarify that existing service related to the generation of electricity at the date of the Commission's March 17, 1999 Order in Case 98-G-0122 is not deemed to meet the definition of New Electric Generator until the customer's contract

terminates. This definition is consistent with the Commission's original March 17, 1999 Order in Case 98-G-0122.

Leaf No. 219.1 has been modified to clarify that the Annual Total Value Added Charge is "net of the" reconciliation charge. This change was made in that the reconciliation value can be either negative or positive and the prior language "minus" was considered confusing.

Leaf No. 219.2 has been revised to clarify that the Monthly Total Value Added Charge is calculated only for the hours of the month that the generator actually operated.

The remaining changes on Leaf Nos. 218, 219 and 219.1 have been made to reflect consistent abbreviations for MMBTU, MWH, and DTH.

Newspaper advertising required by 16NYCRR 720-8.1 and Public Service Law Section 66(12)(b) is waived as indicated in Ordering Clause 4 of the November 23rd Order.

Questions regarding this filing should be addressed to Nancy Hughes on 315-428-5201 or Marcia Collier on 315-428-5692. Please advise the undersigned of any action taken in regards to this filing.

Sincerely,

Marcia G. Collier
Manager, Gas Pricing

MGC/tlf (S:Tariffs/219Tariff/Docfiles/Letters/Lett136)

Enclosures

cc: Lyle Van Vranken
Dan Wheeler
Cynthia McCarran
Daniel Wiecek
Jeffrey Barbero
Dennis Bartlett
Nancy Hughes