Received: 09/28/2007

nationalgrid

September 28, 2007

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

Re: Case 07-G-0299 In the Matter of Issues Associated with the Future of the Natural Gas Industry and the Role of Local Gas Distribution Companies – Capacity Planning and Reliability

Dear Secretary Brilling:

The enclosed tariff leaves, issued by Niagara Mohawk Power Corporation, d/b/a National Grid (hereinafter "the Company") are transmitted for filing in compliance with the Commission's August 30, 2007 Order in Case 07-G-0299 and the requirements of the Public Service Commission of the State of New York ("Commission").

Third Revised Leaf No. 117
Second Revised Leaf No. 170
Seventh Revised Leaf No. 179
Fourth Revised Leaf No. 180
Third Revised Leaf No. 186

To PSC No. 219 Gas

Effective: November 1, 2007

The enclosed revised tariff leaves are transmitted for filing in compliance with Ordering Paragraph 1 of the Commission's August 30, 2007 Order on Capacity Release Programs.

The August 30th Order contains the following elements:

(1) All LDCs will have in place mandatory capacity release programs for core customers.
(2) Any marketer currently using its own capacity to meet core customer requirements should be allowed to continue to do so at the current volumetric levels (grandfathering).

Received: 09/28/2007

(3) If at some point in the future, a marketer using its own capacity elects to reduce the amount of that capacity, that reduced level will become the new maximum amount of capacity that a marketer can bring to the LDC's city gates.
(4) Any marketer using its own capacity to meet some or all of its customer's requirements may pass those grandfathered rights on as a package if it sells its customer book to another marketer.
(5) Any new or incremental marketer loads would be served using a release of LDC capacity.
(6) Firm LDC Primary Delivery Point Capacity that is released to a marketer should be held by the marketer for 12 months; grandfathered marketer-supplied capacity can be held for the five winter months.
(7) The LDC's should work with pipelines to encourage implementation of Delivery Point Operator/City Gate Swing Service (DPO/CSC) programs where they are currently not offered.

The Company's current rate settlement in Case 99-G-0336 dated June 12, 2000 provides for the mandatory assignment of pipeline and storage capacity associated with contracts with Consolidated Natural Gas Corporation ("CNG") now known as Dominion Transmission, Inc. ("DTI") to marketers on behalf of customers participating in the Company's Monthly Balancing Service.

Tariff Leaf 117 has been clarified to reflect the fact that Service Classification Nos. 1 and 2 customers taking delivery only service from the Company must take not only an allocation of the Company's upstream capacity held on DTI, but also other upstream capacity, as necessary, in order to maintain the Company's system reliability.

Tariff Leaf No. 179, which sets forth the "Eligibility" and the "Allocation of Capacity" sections of the Company's Monthly Balancing Service has been modified to reflect the terms of the Commission's August 30 Order. Specifically, the Allocation of Upstream Capacity in Paragraph 3 has been modified to allow marketers who have demonstrated ownership of non-recallable primary delivery or storage capacity by October 25, 2007, to be allowed to continue to utilize that capacity (grandfathering) rather than take an assignment of the Company's capacity. This tariff leaf also clarifies that the allocation of DTI transmission capacity equal to 45% of their Maximum Peak Day Quantity ("MPDQ") is for customers with a positive thermal response. Customers with a negative thermal response, as defined on Tariff Leaf 170, currently receive capacity equal to 75% of their MPDQ, but receive no storage capacity.

Tariff Leaf Nos. 170 and 186 have been modified solely to clarify the definition of negative thermal response currently referred to in the Company's tariff on Leaf 186.

Tariff Leaf 180 has been revised to clarify that the formula for the mandatory release of DTI storage capacity, equal to 55% of their MPDQ, is only for customers with a positive thermal response.

The Company requests waiver of newspaper publication of the proposed tariff changes required by 16 NYCRR 720-8.1 as notification of the proposed changes will be made directly to the Company's marketers affected by the proposed changes.

Received: 09/28/2007

Questions regarding this filing should be addressed to Marcia Collier on 315-428-5692 or Lee Klosowski on 315-428-5903. Please advise the undersigned of any action taken in regards to this filing.

Sincerely,

Marcia G. Collier
Manager, Gas Pricing - NY

MGC/tlf (S:Tariffs/219Tariff/Docfiles/Letters/lett189)

Enclosures

cc: Dan Wheeler
Sheila Rappazzo
Cynthia McCarran
Gary Ahern