



July 26, 2007

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:

Attached for filing, by Niagara Mohawk Power Corporation, d/b/a National Grid, in accordance with the regulations of the PSC of the State of New York is the Statement of Balancing Service Cost Recovery effective September 1, 2007.

The Company's work papers have been sent directly to the Commission Staff.

The Balancing Service Cost Recovery Rate set forth herein has been calculated in accordance with the Balancing Service Cost Recovery provision found on Third Revised Leaf No. 176 of the Company's Gas Tariff, PSC No. 219. The rate is calculated by dividing \$345,000 plus any prior period (over)/under recoveries by the forecasted delivery volumes for Service Classification Nos. 1, 2, 5, 7, 8, 12 and 13 excluding SC 1, 2, 12 and 13 customers taking gas supply service from the Company.

<u>Statement</u>	<u>Number</u>	<u>Applicable to Service Class</u>	<u>Effective Date</u>
Statement of Balancing Service Cost Recovery	BSC-6	11	September 1, 2007

Very truly yours,

Amy S. Wisner
Senior Rate Analyst

ASW/tlf (S:tariffs/219tariff/docfile/letters/lett184)

cc: Michael Scott
Daniel J. Wheeler