



August 1, 2007

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

Re: Case 01-M-0075 – Joint Proposal of Niagara Mohawk Holding, Inc. Niagara Mohawk Power Corporation, National Grid plc and National Grid for Approval of Merger and Stock Acquisition (the “Merger Rate Plan”)

Dear Secretary Brilling:

Enclosed for filing with the New York Public Service Commission (“the Commission”) is Niagara Mohawk’s, d/b/a National Grid (“Company”) tariff amendments in compliance with the Commission’s Opinion No. 01-6, Opinion and Order Authorizing Merger and Adopting Rate Plan, issued and effective December 3, 2001.

Identification of Tariff Amendments

Twenty-Third Revised Leaf No. 7
Twenty-Third Revised Leaf No. 19
Twenty-Third Revised Leaf No. 59
Eighteenth Revised Leaf No. 72
Twenty-Fourth Revised Leaf No. 82

To P.S.C. No. 214 Electricity

Effective: January 1, 2008

Purpose of the Filing

The purpose of this filing is to comply with Niagara Mohawk’s obligations under the Merger Rate Plan (i) to reset its Competitive Transition Charges (“CTC”) in retail delivery rates to reflect changes in the forecast of commodity prices for the coming two years, and (ii) to adjust delivery rates associated with deferral recoveries because the deferral balance exceeded \$100 million as of June 30, 2007 as further provided in the Merger Rate Plan. The Company has included in this filing the tariff leaves that are proposed to become effective on January 1, 2008, or the first year of the current reset period (“Compliance Tariff Leaves”). These Compliance Tariff Leaves include the appropriate rates for calendar year 2008. The Company is also seeking the Commission’s approval of the Compliance Rates contained in Attachment 2 of the companion PSC No. 207 Electricity filing that would become effective on January 1, 2009, the second year of the CTC Reset period. These proposed Compliance Tariff Leaves reflect the compliance filing being made by Niagara Mohawk under the Merger Rate Plan, and include an adjustment to Niagara Mohawk’s delivery rate to recover the deferral balance in excess of \$100 million recorded through June 30, 2007 and Niagara Mohawk’s forecast of deferral activity through December 31, 2009, the end of the CTC Reset period. These current and forecast deferral balances are documented in Attachment 6 and the schedules to that Attachment, included with the companion PSC No. 207 filing.

This filing also includes Niagara Mohawk’s hedging plans for 2008 and 2009, as required by Section 1.3.4 of the Merger Rate Plan.

The Company has contracts with the New York Power Authority (the Authority) for the supply of electricity sourced from the Niagara and St. Lawrence power projects (R&D Power). R&D Power received by the Company is directed only to residential customers. The contracts expire August 31, 2007. The Company was notified just prior to the submission of this Third CTC Reset filing that the Authority will extend the contracts to supply R&D Power through 2008, with a reduction in the amount of firm energy available. The extension offer is subject to Authority Board of Trustees approval. The Third CTC Reset filing reflects the extension of R&D Power at the reduced quantity available, with expiration at the end of June 2008. In the event the final terms of agreement materially change before September 30, 2007, the Company will update the CTC Reset filing to reflect the final terms of agreement.

Attachments in Support of this Filing

Included with the companion PSC No. 207 Filing are attachments that describe and present the revised commodity forecast and the proposed retail electricity prices for PSC No. 214 Outdoor Lighting effective January 1, 2008 and January 1, 2009.

Newspaper Publication

Newspaper publication will be made on August 16, August 23, August 30, and September 6, 2007 in accordance with the requirements of Public Service Law § 66(12)(b).

Inquires about this Filing

Anyone who may have questions regarding the administrative aspects of this filing may call or write the undersigned at the phone number and address listed below. Requests for information about the proposals presented in this filing should be sent via email to James J. Bonner, Jr. (james.bonner@us.ngrid.com) and to Susan E. Pelkey (susan.pelkey@us.ngrid.com). Your information request will be assigned a number for recording purposes, logged into an information request log developed for this specific case, and forwarded to the appropriate Company representative who will prepare the response. The requesting party will receive the response via email as well as a hard copy delivered via U.S. Mail.

Technical Conference

All active parties in this Case have been advised that a technical conference to explain the proposals presented in this filing has been scheduled at the Company's offices at 1125 Broadway, Albany, New York, on Wednesday, August 8, 2007 at 9:30 a.m. in Conference Room Number 308.

Respectfully submitted,

James J. Bonner, Jr., Manager
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JJB/PJR

Attachments

xc:

All Active Parties in Case 01-M-0075