



May 27, 2010

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

Dear Secretary Brilling:

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

First Revised Leaf No. 399  
First Revised Leaf No. 400  
First Revised Leaf No. 401  
First Revised Leaf No. 402  
First Revised Leaf No. 403  
First Revised Leaf No. 404  
First Revised Leaf No. 405  
First Revised Leaf No. 406  
Fourth Revised Leaf No. 407  
Fourth Revised Leaf No. 408  
Original Leaf No. 408.1  
Original leaf No. 408.2  
Original Leaf No. 408.3

To P.S.C. No. 220 Electricity

Effective: September 1, 2010

### **Purpose of Filing**

The Company is submitting these revised tariff leaves to improve the organization and the completeness of Service Classification No. 4 ("SC-4") of its Tariff P.S.C. No. 220 – Electricity ("the Tariff") without altering the substantive provisions of that Rate Schedule, and without any impact on customer's bills.

Over the years, Rate Schedule SC-4 has expanded far beyond its original purpose of providing rates for additional power provided to customers receiving a portion of their requirements for electric service in the form of Replacement Power ("RP") and/or Expansion Power ("EP") generated at the New York Power Authority's Niagara Project. In its current form, Rate Schedule SC-4 also contains delivery rates High Load Factor ("HLF") Power and for "New" Allocations of EP and RP as discussed below.

The need to include separate rates in the Tariff for New Allocations of EP and RP arose out of a settlement approved by FERC in an order dated July 9, 2004.<sup>1</sup> In that settlement, the parties agreed

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<sup>1</sup> *Niagara Mohawk Power Corporation*, 108 FERC ¶ 61, 035 (2004).

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to grandfather all then-existing allocations of Expansion Power and Replacement Power at the rates, terms and conditions established in the Company's Rate Schedules Nos. 19 and 159 filed with the Federal Energy Regulatory Commission. Allocations issued subsequent to the date of that settlement were classified as "New" allocations, which are delivered at the rates, terms and conditions established in the Open Access Transmission Tariff ("OATT") of the New York Independent System Operator, Inc. ("NYISO") and the Company's Tariff, exclusive of Competition Transition Costs ("CTC").

Because delivery rates for HLF Power and new allocations of EP and RP were added to the Company's Tariff at different times in different proceedings, Rate Schedule SC-4 has become disorganized and difficult to understand. These problems are magnified by the fact that, at least in the case of delivery rates for EP and RP, key elements of the billing process, such as the calculation of customer demands and the application of loss factors, are not clearly spelled out in the Tariff.

Further impetus for these changes is provided by the 2005 amendments to the Public Authorities Law, which authorized NYPA to create a new power program known as Preservation Power ("PRP"). PRP is supplied from NYPA's St. Lawrence Project to customers located in Jefferson, St. Lawrence and Franklin Counties. While the full output of the St. Lawrence Project was under contract at the time those legislative changes became effective, NYPA has informed the Company that it now has unallocated St. Lawrence Power available for allocation as PRP. The changes to Rate Schedule SC-4 proposed in this filing do not include rates for the delivery of PRP, but are designed to set the stage for the implementation of that program on short notice once NYPA is ready to supply this new form of NYPA power.

Accordingly, Niagara Mohawk Power Corporation d/b/a National Grid respectfully requests that the Commission accept these revised tariff sheets for filing.

The notice required by the State Administrative Procedures Act is included with this filing.

Since this filing is of a housekeeping/conforming nature, it is respectfully requested that the requirements of newspaper publication as required by the Commission's regulations of 16 NYCRR Section 720-8 be waived for this filing.

Please advise the undersigned of any action taken regarding this filing.

Sincerely,

Pamela B. Dise, Manager  
Electric Pricing

PBD