



Adam L. Benshoff
Counsel

April 9, 2010

Honorable Jaclyn Brilling, Secretary
New York State Department of Public Service
Three Empire State Plaza
Albany, New York 12223

Dear Secretary Brilling:

In accordance with Section 720-2 *et al.* of the Commission's Regulations, 16 NYCRR § 720-2 *et al.*, Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid" or "Company"), hereby submits the following tariff leaves to become effective July 15, 2010:

Sixth Revised Leaf No. 94
Second Revised Leaf No. 122.4
Second Revised Leaf No. 122.5
Second Revised Leaf No. 122.6
Third Revised Leaf No. 122.7
Fifth Revised Leaf No. 137
Eighth Revised Leaf No. 141
Fifth Revised Leaf No. 145
Sixth Revised Leaf No. 150
Fourth Revised Leaf No. 155
Third Revised Leaf No. 160
Second Revised Leaf No. 167
Fifth Revised No. 176
Fourth Revised Leaf No. 183
Eighth Revised Leaf No. 184
Seventh Revised Leaf No. 216.1

To Schedule for Gas Service, P.S.C. No. 219-GAS

The purpose of this filing is to remove specific language in each of the identified tariff leaves that requires statements tied to the monthly gas adjustment clause ("GAC") to be filed on not less than three days notice and provides, in the alternative, general language requiring that those statements be filed prior to rates taking effect. In addition, Service Classification No. 9 – Negotiated Transportation Service and Service Classification No. 13 have been revised to include a section entitled "Statement of Transportation Rates" that was inadvertently omitted but already appears in Service Classification Nos. 1, 2, 5, 7 and 8.

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Concurrent with this filing, National Grid is submitting a Petition for Limited Waiver of the provisions of Section 720-6.5(b) Gas Cost Adjustment Clauses, that requires cost of gas statements to be filed three days prior to the date on which they are to be effective. As discussed in more detail in that Petition, the limited waiver of this requirement will benefit National Grid, its customers, and the Energy Service Companies ("ESCOs") operating in the Company's service territory by enabling the Company to set a monthly commodity price of gas on their GAC statements that is more reflective of the Company's actual gas purchase costs.

Under the current tariff language, National Grid must estimate its commodity price of gas before the New York Mercantile Exchange ("NYMEX") futures contract closing price is known. As a consequence, the estimated price of gas reflected on the GAC statement is not as closely aligned with the Company's actual gas costs as it could be. This results in a distortion of the gas commodity price paid by National Grid's gas sales customers each month and sends the wrong price signals to the ESCOs who sell gas supply to National Grid's transportation customers and who benchmark their gas sales prices with the Company's. Furthermore, variances between the price set on the GAC statement and National Grid's actual gas costs can increase the Company's under recovery or over recovery of costs from sales customers during the GAC reconciliation year which can result in larger gas cost imbalances at year's end. These larger imbalances, in turn, are credited or surcharged to sales customers the following year which further distorts the price paid by sales customers as compared to the market. Approval of the Company's proposed tariff modifications and Petition for Limited Waiver will assure that the Company's GAC statements reflect more accurate market information regarding the expected price of natural gas, and will limit deferrals that may escalate or suppress future commodity prices for customers. As a result, National Grid submits that this request is both reasonable and in the public interest.

In accordance with Section 720-2.3 of the Commission's Regulations, a proposed notice of this filing suitable for use under the State Administrative Procedure Act is also enclosed.

Please contact the undersigned with any questions regarding this letter or the enclosure.

Respectfully submitted,

/s/ Adam L. Benshoff

Adam L. Benshoff

Enclosures

cc: Catherine L. Nesser