



September 28, 2009

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-M-0548

Dear Secretary Brilling:

The enclosed System Benefits Charge Statement, issued by Niagara Mohawk Power Corporation, d/b/a National Grid (hereinafter "the Company") is transmitted for filing in compliance with the requirements of the Public Service Commission of the State of New York ("Commission").

System Benefits Charge Statement No. 5

To PSC No. 219 Gas

Effective: October 1, 2009

System Benefits Charge Statement No. 5 is being filed in compliance with Rule 31.1 of the Company's tariff and with the following two orders: 1) "Order Establishing Energy Efficiency Portfolio Standards and Approving Programs" dated June 23, 2008 ("June 23rd Order") in Case 07-M-0548; and 2) "Order Approving Fast Track Utility-Administered Gas Energy Efficiency Programs with Modifications" dated April 9, 2009 ("April 9th Order") in Case 08-G-1015. The June 23rd Order authorized the Company to collect through December 31, 2011 an annual amount of \$1,959,811 for the expedited "Fast Track" programs to be collected from Service Classification Nos. 1, 2 and 7 commencing October 1, 2008 and such collection amount was unchanged when the Company's "Fast Track" program was approved with modifications in the April 9th Order.¹

¹ See Case 08-G-1015, *et al.*, *Petition of Niagara Mohawk Power Corporation for Approval of an Energy Efficiency Portfolio Standard (EEPS) "Fast Track" Utility-Administered Gas Energy Efficiency Program, et al.*, Order Approving "Fast Track" Utility-Administered Gas Energy Efficiency Programs with Modifications (issued and effective April 9, 2009) at 23.

Honorable Jaclyn A. Brilling, Secretary
Page Two
September 28, 2009

Rule 31.2 provided for the recovery of interim gas energy efficiency programs as contained in the Commission's September 18, 2008 Order Adopting an Interim Energy Efficiency Program and Modifying the Joint Proposal. Through inadvertence, the Statement filed by the Company implementing the gas SBC for the interim programs had an end date of September 30, 2009, even though it is clear from the September 18 Order that the Commission intended that such funding should continue for as long as the interim programs were in effect. The Company will be filing amendments to the tariff to correct this in the near future. In the meantime, the current System Benefits Charge is revised to remove collections for the interim programs. The attached work paper illustrates the subtraction of these program costs and the resultant new factor.

Questions regarding this filing should be addressed to Dawn Herrity on 718-403-2975. Please advise the undersigned of any action taken in regards to this filing.

Sincerely,

Dawn Herrity
Lead Analyst

/dh
(S:Tariffs/219Tariff/Docfiles/Letters/lett273)

Enclosures

cc: Daniel Wheeler, DPS Staff, w/enc.
Gary Ahern
Janet Audunson
Jennifer Feinstein
Catherine Nesser
Carol White
Lynn Westerlind
Melissa Nairn

ATTACHMENT

Rule No. 31 of PSC No. 219 Gas System Benefits Charge Effective October 1, 2009

		<u>SBC</u> <u>(\$/therm)</u>
Expedited Fast-Track Program Per Ordering Paragraph 6/23/2008 Order in Case 07-M-0548	\$ 1,959,811.00	\$ 0.00255
Interim Energy Efficiency Programs Per Interim JP filed August 1, 2009 in Case 08-G-0609	\$ _____ -	\$ _____ -
Total	\$ 1,959,811.00	\$ 0.00255
SC1, SC2, and SC7 Forecast Throughput (therms), TME September 30, 2010	767,885,032	

Incremental SBC Rate Applicable to SC1, SC2 and SC7 (\$/therm)	\$0.00255
Effective October 1, 2009 through September 30, 2010	

Note 1: \$1,959,811 authorized by June 23, 2008 Order, Page 70 Ordering Paragraphs 3 and 4 - Table 18 - \$1,989,721
\$1,989,721 was later subject to an errata notice modifying the number to \$1,959,811
and

Note 2: the April 9, 2009 Order Page 23, Ordering Paragraph 16 which indicates that "Any change to the
System Benefits Charge (SBC) collection amounts or rates indicated by the budgets approved in this order
will be considered by the Commission in the future when it considers a broader range of energy efficiency issues
or programs for gas customers.