



February 27, 2012

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 No. 05-M-0090 – In the Matter of System Benefits Charge III  
Case No. 10-M-0457 – In the Matter of the System Benefits Charge IV

Dear Secretary Brilling:

The attached System Benefits Charge (“SBC”) Statement issued by Niagara Mohawk Power Corporation d/b/a National Grid (the “Company”) is being transmitted for filing in compliance with the New York State Department of Public Service Commission (“Commission”) orders in the above case numbers .

Statement of System Benefits Charge No. 22

To P.S.C. No. 214 Electricity

Effective: March 1, 2012

**Purpose of Filing:**

On December 30, 2010, the Commission issued the above order reducing the remaining SBC III collection amount of \$22,528,834 to zero commencing February 1, 2011. This collection amount was originally scheduled to be collected from customers in the remaining six month period for SBC III, January 1, 2011 through June 30, 2011. By Order of the Commission this 2011 collection amount was deferred to 2012 and 2013.

The purpose of this filing is to commence the collection of the remaining SBC III collection amount of \$22,528,834. The Company over collected \$999,448 in calendar year 2010 bringing the total amount of the remaining SBC III collection amount to \$21,529,386 for 2011. In 2011, \$760,479 of this over collection for 2010 was returned to customers. In 2011 the Company also collected \$7,082,242 towards the SBC III collection amount before the Commission set the collection rate to zero. Also per the above order, SBC monies held by the utilities during the prior year were credited with accrued interest for the benefit of customers at the other customer capital rate for the time that the monies were held and not transferred to NYSERDA. This interest is calculated to be \$259,847 on the \$7,082,242 collection amount.

The remaining balance to be collected from customers based on the above is \$14,947,776 for the collection period of March 1, 2012 through December 31, 2012. The resulting collection rate is \$0.000640/kWh and will be added to the existing SBC IV factor of \$0.000632/kWh filed with SBC 7 on December 1, 2011 resulting in a total SBC III/IV collection factor of \$0.001272. This will be added to the EEPS SBC factor of \$0.002111 producing a total SBC factor of \$0.003383.

Attachment 1 included with this filing sets forth the derivation of this rate.

Please direct any questions regarding this filing to the undersigned.

Sincerely,

*/s/ Patricia Rivers*

Patricia J. Rivers  
Senior Rate Analyst  
Electric Pricing Department  
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PJR  
Attachments