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STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Proceeding on Petition of Niagara Mohawk Power Corporation d/b/a National Grid for Approval of Agreement Regarding Treatment of Allocations of New York Power Authority Expansion Power and Replacement Power Beginning January 1, 2012 and Thereafter.	:	Case No. __________

PETITION FOR APPROVAL OF AGREEMENT AND RELATED TARIFF AMENDMENTS

Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid" or the "Company") hereby submits this Petition for Approval of Agreement and Related Tariff Amendments ("Petition"). This Petition seeks the Public Service Commission's ("Commission") approval of the jurisdictional provisions of the Agreement Regarding Treatment of Allocations of New York Power Authority Expansion Power and Replacement Power Beginning January 1, 2012 and Thereafter, entered into by the Company, the Power Authority of the State of New York ("NYPA"), Multiple Intervenors ("MI"),[1] and Power for Economic Prosperity ("PEP")[2] (collectively, "Parties") on September 29, 2011 ("Agreement") and submitted herewith, and of the amendments to P.S.C. No. 220 Electricity, Niagara Mohawk Power Corporation d/b/a National Grid Schedule for Electric Service Applicable in All Territory Served by this Company ("Retail Tariff") required to implement certain provisions of the Agreement, also submitted herewith.

[1] MI is an unincorporated association of large commercial and industrial customers with facilities located, inter alia, in the National Grid service territory.

[2] PEP is a coalition of large customers with allocations of Expansion Power and Replacement Power from the New York Power Authority.

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Certain agreements pertaining to National Grid's delivery of allocations of New York Power Authority Replacement Power ("RP") and Expansion Power ("EP"), will expire by their terms on January 1, 2012 and July 1, 2013, respectively. The Parties have therefore entered the attached Agreement which, if approved by the Commission and the Federal Energy Regulatory Commission ("FERC"), would establish delivery rates, terms and conditions of EP and RP beginning January 1, 2012. The Agreement provides that the delivery rates for "Existing Allocations" of EP and RP,[3] which have been discounted for many years, will be phased-in to the standard tariff delivery rates in the Retail Tariff, and as provided for by the New York Independent System Operator Open Access Transmission Tariff ("NYISO OATT") Section V, over a period of four years based on a percentage discount off of standard tariff delivery rates. The phase-in will be completed by December 31, 2015.[4] The phase-in will allow for customers with Existing Allocations of EP and RP, who consist of businesses that are vital to the economy of Western New York, to adjust to and plan for these impacts to their electric delivery rates in light of these difficult economic times. The Agreement also seeks to simplify the billing methodology for EP and RP, and provides for the direct sale by NYPA to EP and RP customers of EP and RP commodity. It also provides for the extension of existing First Through the Meter ("FTM") and RP Rate II ("Rate II") billing arrangements[5] through the terms of the EP and RP customers' agreements with NYPA. The Company also is filing the Agreement with FERC for acceptance of the provisions over which it has jurisdiction. The Company respectfully requests that the Commission approve this Petition, the Agreement including the requested extension of

[3] See footnote 10 and accompanying text.

[4] For a small group of customers who would have otherwise experienced relatively large total bill increases under the Agreement, the Agreement provides for a six year phase-in period and for larger discounts during the phase-in.

[5] See definitions in footnote 21, *infra.*

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the FTM and Rate II billing methodologies, and the associated Retail Tariff amendments filed herewith, prior to December 31, 2011.

Background

NYPA sells large amounts of low cost hydroelectric power generated at its Niagara Power Project, classified as either RP or EP, to Western New York businesses in order to promote economic development in Western New York. National Grid delivers this low cost hydroelectric power to businesses in Western New York, including members of PEP and MI. EP and RP commodity is supplied to businesses at rates that are typically 75 percent less than the average wholesale market prices in the state for electric commodity. Additionally, the delivery rates for EP and RP also have been discounted for many years. In 1989, the rates for delivery of all NYPA power were set at $1.52 per kW-month regardless of customer size or voltage delivery level ("VDL") for both EP and RP.

In both the PowerChoice Settlement in 1998[6] and the Niagara Mohawk/National Grid Merger Joint Proposal[7] in 2001, the Company agreed to retain delivery rates for EP and RP customers in effect at that time at the $1.52 per kW-month level.[8] These provisions of the MJP were subsequently implemented in a settlement of certain proceedings at FERC in 2004.[9] As a

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[6] Cases 94-E-0098 and 94-E-0099, Opinion No. 98-8, Opinion and Order Adopting Terms of Settlement Agreement Subject to Modifications and Conditions (Issued and Effective March 20, 1998) (adopting PowerChoice Settlement).

[7] Case 01-M-0075. Opinion and Order Authorizing Merger and Adopting Rate Plan (Issued and Effective December 3, 2001), adopting November 6, 2001 Revised Merger Joint Proposal ("MJP").

[8] The MJP provided that allocations of RP and EP issued after that settlement would be delivered at standard tariff delivery rates exclusive of CTC, but NYPA was not a party to that settlement and, as a result, there was no filing made at FERC to amend the FERC rate schedules with respect to RP and EP to close them to new customers at that time.

[9] April 21, 2004 Settlement Agreement in Federal Energy Regulatory Commission Docket Nos. ER03-989-000, ER03-991-000, ER03-992-000 and ER03-990-000 between Niagara Mohawk Power Corporation d/b/a National

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result, allocations of RP and EP issued prior to the date of that settlement are referred to as "Existing Allocations"[10] and have continued to be delivered at the $1.52 per kW-month rate, while allocations issued after that date are generally referred to as "New Allocations"[11] and are delivered at standard tariff rates as determined by customer size and VDL.[12] That settlement also set the delivery rates for Existing Allocations of EP and RP through and until the earlier of December 31, 2011 or the date on which the PSC established new rates for the Company in a general rate case.[13] Contract RP-1 for the Sale of Replacement Power Between Niagara Mohawk Power Corporation d/b/a National Grid and the New York Power Authority ("Contract RP-1") and the FERC rate schedule governing the transmission of RP[14] are scheduled to expire on December 31, 2011. Further, per the terms of the April 21, 2004 Settlement, and absent the attached Agreement, delivery rates for Existing Allocations of EP and RP would otherwise

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Grid, The Power Authority of the State of New York, Multiple Intervenors, Occidental Chemical Corporation and ISG Lackawanna, Inc. ("April 21, 2004 Settlement Agreement").

[10] As defined in the April 21, 2004 Settlement Agreement and Retail Tariff leaf 408.3.

[11] As defined in the April 21, 2004 Settlement Agreement and Retail Tariff leaf 408.3.

[12] NYPA was also allowed by the April 21, 2004 Settlement to issue a limited number of allocations of EP at rates that began at the $1.52 per kW-month level but phased up over five years to standard Retail Tariff rates (exclusive of CTC) applicable to New Allocations. These allocations are referred to as "Additional Allocations." The time for NYPA to make any such allocations has now passed, and customers with Additional Allocations will be paying full standard tariff delivery rates on these Additional Allocations as of November 1, 2011.

[13] Although new electric delivery rates were established for the Company as of February 1, 2002 in Case No. 10-E-0050, in that case the Company, NYPA and Staff of the Department of Public Service entered the Rate Design, Customer, and Markets Mandatory Hourly Pricing Stipulation, which froze the delivery rates for Existing Allocations at the current level during the calendar year 2011. FERC subsequently approved the Company's filing to extend the $1.52 per kW-month rate for Existing Allocations of EP and RP through December 31, 2011.

[14] Amended and Restated Agreement for The Retail Transmission of Replacement Power Between Niagara Mohawk Power Corporation and the Power Authority of The State Of New York, filed with the Federal Energy Regulatory Commission as First Revised Service Agreement No. 1742, under the New York Independent System Operator, Inc. ("NYISO") Open Access Transmission Tariff ("OATT"), FERC Electric Tariff, Original Volume No. 1 (previously designated Niagara Mohawk Power Corporation, FERC Electric Tariff Rate Schedule 19, First Revised Volume No. 1 ("SA 1742" or "RS 19")).

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increase on January 1, 2012 from the current $1.52 per kW-month to standard tariff delivery rates that range from $2.32 per kW-month to $9.08 per kW-month, depending on the customer's parent delivery service classification and VDL.[15]

Accordingly, members of PEP, MI, NYPA and National Grid met during 2011 in order to address the scheduled expiration of SA 1742/RS 19 and Contract RP-1 at the end of 2011, and the scheduled expiration on June 30, 2013 of SA 1743/RS 159. The Parties also discussed changes to the delivery terms, conditions and rates for EP and RP and the associated agreements as noted above. As a result of these meetings and discussions, the parties entered the attached Agreement, which includes a phase-in of the delivery charges for customers with Existing Allocations of EP and RP over a four (or six) year period to standard Retail Tariff delivery rates. The Agreement also changes a number of the billing methodologies and delivery arrangements for EP and RP, which the Company believes will simplify the billing for EP and RP and benefit customers. The Company believes that this Agreement continues to support the important economic development and job goals of the EP and RP programs, and supports Existing EP and

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[15] The transmission, delivery and/or sale of Existing and New Allocations of RP and EP, and Additional Allocations of EP, are currently governed by a number of different agreements and regulatory provisions as noted below:

1) Existing RP: (a) SA 1742/RS 19, which is scheduled to expire on December 31, 2011, but may be extended to December 31, 2012 under the terms of NYISO OATT, Attachment L; b) the April 21, 2004 Settlement Agreement. c) Contract RP-1; and d) applicable sections of the Retail Tariff.

2) New Allocations of RP: a) the NYISO OATT; b) the April 21, 2004 Settlement Agreement; and c) applicable sections of the Retail Tariff.

3) Existing Allocations of EP: a) the Amended and Restated Agreement for The Retail Transmission of Expansion Power Between Niagara Mohawk Power Corporation and the Power Authority of The State of New York, filed with FERC as First Revised Service Agreement No. 1743, under the NYISO OATT, FERC Electric Tariff, Original Volume No. 1, previously designated Niagara Mohawk Power Corporation, FERC Electric Tariff Rate Schedule 159, First Revised Volume No. 1 ("SA 1743" or "RS 159"), and which is scheduled to expire on June 30, 2013.; b) the April 21, 2004 Settlement Agreement; 3) the Contract for the Sale and Resale of Expansion Power dated February 22, 1989 between NYPA and the Company ("EP Resale Contract"); and 4) applicable sections of the Retail Tariff.

4) New Allocations of EP and Additional Allocations of EP are governed by: a) the NYISO OATT; b) the April 21, 2004 Settlement; and c) applicable sections of the Retail Tariff.

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RP customers by providing a phased-in transition to standard Retail Tariff rates and the elimination of certain billing methodologies that will be beneficial to EP and RP customers. As stated, the phase-in will allow businesses that receive EP and RP Allocations, and which are vital to the economy of Western New York, to adjust to and plan for these impacts to their electric delivery rates in light of these difficult economic times.[16]

Summary of the Agreement

The Agreement addresses the rates, terms and conditions for the delivery of EP and RP going forward. The Parties believe that the relevant provisions of the Agreement and associated Retail Tariff amendments are fair, just and reasonable and should be approved.

The Agreement provides that transmission and distribution delivery rates for almost all customers with Existing Allocations of EP and RP will be phased up to standard Retail Tariff delivery rates, with the phase-in period beginning on January 1, 2012 and ending on December 31, 2015.[17, 18] The Agreement does not propose any changes to the existing (or otherwise already proposed) surcharge treatment for EP and RP allocations. The existing surcharge

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[16] In addition to this Petition, the Company will be filing with FERC for approval of the FERC-jurisdictional components of the phased-in rates as described in the Agreement and for accompanying changes to FERC SA 1742/RS 19 and SA 1743/RS 159, and will be filing to amend the other agreements governing the delivery of EP and RP in accordance with the provisions of the Agreement and this Petition.

[17] For most customers, this discount is as follows: 1) for 2012, 20% discount off of applicable standard tariff rates in effect the time; 2) for 2013, a 15% discount; 3) for 2014, a 15% discount; 4) for 2015, a 10% discount; and 5) beginning January 1, 2016, then-existing delivery rates will be increased to the same level as the then-existing applicable standard tariff rates in effect at that time. For a small group of customers who otherwise would have experienced a large total bill impact under this proposal, the phase-in period is extended until January 1, 2018 with different discounts, as follows: 1) 2012, a 65% discount; 2) 2013, a 55% discount; 3) 2014, a 45% discount; 4) 2015, a 35% discount; 5) 2016, a 25% discount; 6) 2017, and 15% discount; and 7) beginning January 1, 2018, then-existing delivery rates will be increased to the same level as the then-existing applicable standard tariff rates in effect at that time. This Agreement also is being filed with FERC for approval of the proposed rates and changes to the FERC rate schedules governing retail transmission of EP and RP.

[18] The Company will defer the increased incremental revenues it receives pursuant to this Agreement, for future treatment by the Commission.

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exemptions for EP and RP allocations provide significant monetary benefits to these customers.[19] The Agreement also seeks to simplify the billing treatment for EP and RP Allocations by changing the billing methodology for these allocations beginning January 1, 2013 as follows: 1) eliminating the 11 month maximum used in the Load Factor Sharing billing methodology applicable to EP and RP billing, which will provide a financial benefit to customers; 2) basing EP and RP transmission and distribution billing on customers' metered demand instead of their contract demand, which again will provide a financial benefit to customers; 3) changing loss factors for Existing EP and RP allocations to standard Retail Tariff loss factors, with the goal of having parity among all customers; d) amending the Retail Tariff to provide for the direct sale of NYPA commodity by NYPA to EP and RP customers after June 30, 2013, for which NYPA will bill customers directly and be responsible for associated NYISO charges; and e) providing that total load, including all EP and RP demands, will be used in determining the customers' respective parent service classifications, during the phase-in period to full standard Retail Tariff delivery rates and continuing for as long as these customers pay full standard Retail Tariff delivery rates.

[19] As the Commission is aware, pursuant to Commission Orders, customers with these allocations are exempt from the Competitive Transition Charge, System Benefit Charge, Renewable Portfolio Surcharge, Energy Efficiency Portfolio Standard surcharge, Transmission Revenue Adjustment Charge, and Legacy Transition Charge. *See* Case 94-E-0952, *In the Matter of Competitive Opportunities Regarding Electric Service*, Order Continuing and Expanding the System Benefits Charge for Public Benefit Programs at 22-23 (issued and effective January 26, 2001); Case 05-M-0090, *In the Matter of the System Benefits Charge III*, Order Continuing and Expanding the System Benefits Charge and the SBC-Funded Public Benefit Programs at 30 (issued and effective December 21, 2005); Case 03-E-0188, *Proceeding on Motion of the Commission Regarding a Retail Renewable Portfolio Standard*, Order Regarding Retail Renewable Portfolio Standard at 10-11 (issued and effective September 24, 2004); Case 07-M-0548, *Proceeding on Motion of the Commission, Regarding an Energy Efficiency Portfolio Standard*, Order Establishing Energy Efficiency Portfolio Standard and Approving Programs (issued and effective June 23, 2008); Case 10-E-0050, *Proceeding on Motion of the Commission as to the Rated, Ruled, and Regulations of Niagara Mohawk Power Corporation for Electric Service*, Order Regarding Tariff Filing (issued and effective July 15, 2011). Further, customers with these allocations are proposed to be exempt from the Temporary Deferral Recovery Surcharge, as stated in the Company's Compliance Filing dated July 29, 2011 in Case No. 10-E-0050. The collective exemptions from these charges provide significant monetary benefits to these customers.

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The Agreement includes a number of other provisions as well:

- PEP, MI, NYPA, PEP on behalf of the members of PEP, and MI on behalf of certain specified ("participating hydropower") members of MI, agree not to challenge the phase-in to standard Retail Tariff delivery rates or to advocate for a separate delivery rate or service classification for EP and RP allocations until after the completion of the Agreement's specified phase-ins to standard tariff delivery rates for their parent rate class and voltage levels. However, customers retain the right to oppose (either during the phase-in period or thereafter) proposed increases to the standard Retail Tariff delivery rates to which the discounts provided for in the Agreement apply.

- The Company will continue to provide the current default, or supplemental, commodity service to RP and EP customers if the customer does not procure its non-NYPA supply from a third party or act as its own Load Serving Entity ("LSE"). The Company will propose to continue these services in its next rate case. The Company will not charge a separate fee for the administrative and billing services that it continues to provide to NYPA, and EP and RP customers.

- Current practices regarding historic demand[20] for EP and RP allocations will continue to be in effect, but shall be reviewed in the Company's next general rate case.

- To the extent consistent with the relevant regulatory requirements, the Company will retain the current buy-sell structure and supplemental service for both EP and RP through and until June 30, 2013.

- The Company will: (a) extend and support the extension of the FTM and Rate II billing methodologies[21] for all customers currently receiving such arrangements

[20] As provided for on Leaves 407-08 of the Retail Tariff and in agreements among the Company, NYPA and customers as applicable. Historic Demand is calculated as the customer's average non-NYPA demand in the 12 months immediately preceding an award of hydropower by the Trustees of the New York Power Authority. It is intended to protect existing Company sales and revenue from being displaced, as the result of an award and takedown of an allocation of RP or EP, by billing the Historic Demand and associated energy prior to the billing of a customer's hydropower allocation.

[21] Because NYPA generally supplies only a portion of any customer's total electric demands, a billing methodology must be used to determine the amount of electricity supplied by NYPA and the amount of electricity supplied or delivered by the Company from non-NYPA sources. For EP customers, , the amount of electricity taken by any customer in any 30-minute billing interval is allocated between NYPA and non-NYPA sources in proportion to the contribution of each supply source to the customer's peak demand in the current month and the eleven preceding months ("11 Month Maximum"). This method of allocating a customer's demands is known as load factor sharing ("LFS"). *See* Leaves 179-181 of the Retail Tariff. Customers receiving RP must elect at the commencement of such service to use either the LFS billing methodology (referred to as RP Rate I) or an alternate billing methodology under which RP is delivered without LFS, but the customer is billed for such service on a one hundred percent load factor regardless of actual usage (referred to as RP Rate 2). For certain customers, the Company, NYPA and the

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> through and until June 30, 2013 with NYPA's consent; and (b) extend, with NYPA's consent, the FTM and Rate II billing methodology for all customers currently receiving such arrangements through the term of each customer's "Agreement for the Sale of Expansion and/or Replacement Power and Energy," which agreements will become effective on July 1, 2013.

The Parties also have made commitments to support the Agreement and filings made to implement the Agreement, and have conditioned the Agreement upon the Commission's approval and FERC's acceptance of all provisions thereof without change or condition.[22]

The Relevant Provisions of the Agreement and Proposed Tariff Amendments Should Be Approved

I. Phase-In Period and Rates

The Company is filing with FERC for approval of the FERC-jurisdictional component of the rates and the phase-in schedule provided in paragraph 1 of the Agreement.[23] Currently, customers with Existing EP and RP allocations pay a transmission and distribution delivery rate of $1.52 per kW of delivery level contract demand.[24] In contrast, distribution delivery rates for

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customer have agreed in an individually negotiated service agreement entered into under Rate Schedule SC-12 to replace these billing methodologies with the FTM billing methodology, under which all electricity delivered in any 30 minute billing interval up to the amount of the customer's NYPA allocation(s) is characterized as NYPA power, and only the electricity in excess of this level is characterized as supplemental power provided by the Company. See Service Classification 4 and Service Classification 12 of the Retail Tariff.

[22] Additionally, as the Commission is aware, in the January 24, 2011 Order in the Company's last retail electric rate case, Case No. 10-E-0050 ("Order"), the Commission ordered that it would set Niagara Mohawk's Return on Equity (ROE) at 9.3% so long as Niagara Mohawk refrains from filing new base rates prior to January 1, 2012; otherwise, Niagara Mohawk's ROE will be set at 9.1%. As noted in the Agreement, the Parties agree that the purpose of the Agreement is to extend and modify the agreements relating to the delivery of RP and the rates, terms and conditions relating to the delivery of EP and RP, and that it affects only a limited number the Company's customers. Accordingly, the Parties believe that the changes to the Company's Retail Tariff provided for in the Agreement do not constitute a filing of new base rates. If the Company is advised, either formally or informally, by the Commission that the Commission believes that the Agreement violates the Commission's Order, the Company will wait to move forward with its obligations under the Agreement until January 1, 2012 or thereafter.

[23] *See New York State Electric & Gas Corporation*, 77 FERC ¶ 61044 (1996); *Niagara Mohawk Power Corporation*, 78 FERC ¶ 61004 (1997).

[24] This rate is set in Service Agreements No. 1742 and 1743 filed with FERC. Under Attachment L of the NYISO OATT, these service agreements may not be extended beyond December 31, 2012 (Service Agreement No. 1742)

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customers with Additional Allocations of EP (beginning November 1, 2011) and New Allocations of EP and RP[25] with supplemental service provided at the Service Classification 3 ("SC-3") rates, as well as customers who are otherwise in SC-3, pay the following standard tariff rates per kW of demand: 1) Transmission delivery level customers, \$2.32; 2) Subtransmission, \$2.32; 3) Primary, \$7.33; and 4) Secondary, \$9.08. Distribution delivery rates for customers with Additional Allocations of EP (beginning November 1, 2011) and New Allocations of EP and RP with supplemental service provided at the Service Classification 3A ("SC-3A") rates, as well as customers who are otherwise in SC-3A, pay the following rates per kW of demand: 1) Transmission delivery level customers, \$2.39; 2) Subtransmission, \$2.97; 3) Primary, \$8.21; and 4) Secondary, \$8.18.

The Agreement proposes, subject to the Commission's and FERC's approval, to transition customers with Existing Allocations of EP and RP to standard NYISO OATT and Retail Tariff delivery rates over a four year period. Under the terms of the Agreement, all Existing EP and RP customers' delivery charges will be based on a percentage discount off of standard Retail Tariff delivery rates in effect at the time, as determined by the customer's proposed delivery service classification and VDL as provided in the Retail Tariff, as follows: 1) January 1, 2012, 20% discount off of applicable standard tariff delivery rates in effect at that time; 2) January 1, 2013, 15% discount; 3) January 1, 2014: 15% discount; 4) January 1, 2015,

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and June 31, 2012 (Service Agreement No. 1743). After these dates, the delivery service currently provided under those agreements must be provided under Section V of the NYISO OATT and the Retail Tariff.

[25] Distribution delivery rates for New Allocations of EP and RP, and Additional Allocations of EP, are contained in the Retail Tariff. The FERC-filed transmission rate for the retail transmission component of these delivery services is contained in Section 5 of the NYISO OATT. Because Section 5 of the NYISO OATT incorporates the Niagara Mohawk Retail Tariff by reference, no change to the NYISO OATT is required to effectuate the changes to the terms and conditions for the delivery of New and Additional (as well as Existing) Allocations of EP and RP as set forth in Sections III and V of this Petition.

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10% discount; and 5) January 1, 2016, delivery rates will be increased to the same level as the then-existing applicable standard Retail Tariff rates in effect at that time. The Agreement will therefore bring customers with Existing Allocations of EP and RP up to full Retail Tariff delivery rates, but provides for a phase-in in order to allow these customers to adjust to and plan for these electric bill impacts, and assist them in dealing with current difficult economic conditions.

The Agreement also proposes, subject to the Commission's and FERC's approval, a slightly different phase-in for a subset of customers who would otherwise have large total bill impacts under the phase-in as detailed above. This subset includes customers with Existing Allocations of EP or RP, who are served at Primary voltage delivery levels (2.2-15 kV), whose parent rate class is Service Classification 3, and for whom non-NYPA electric demand accounted for 15% or less of their electric demand during the time period July 1, 2010 through June 30, 2011 ("SC-3 Primary Customers"). In order to mitigate what would have otherwise been large total bill impacts for these SC-3 Primary Customers, the Parties have instead proposed the following phase-in for these SC-3 Primary Customers: 1) January 1, 2012, 65% discount off of applicable standard Retail Tariff delivery rates in effect at that time; 2) January 1, 2013, 55% discount; 3) January 1, 2014: 45% discount; 4) January 1, 2015, 35% discount; 5) January 1, 2016, 25% discount; 6) January 1, 2017, 15% discount; and 5) January 1, 2018, delivery rates will be increased to the same level as the then-existing applicable standard tariff rates in effect at that time. Subject to FERC's approval of these rates, the Company has included proposed Retail Tariff leaves with this Petition, which will implement these rates according to the phase-in schedules.

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II. Surcharges and Surcharge Exemptions

The Agreement does not propose any changes to the existing (or otherwise currently proposed) surcharge exemptions for NYPA allocations.

III. Billing Methodology

The Agreement proposes a number of simplifications and changes to the billing methodology for all EP and RP allocations effective July 1, 2013, in an effort to simplify the billing for all parties involved in the billing process and conform the rules applicable to such deliveries to similar rules applicable to other customers served by the Company. These changes will be implemented by amendments to the Retail Tariff, filed herewith, and in agreements among NYPA, the Company and/or customers as necessary. By this Petition, the Company is seeking approval of the necessary amendments to its Retail Tariff leaves to implement these changes.

Beginning July 1, 2013, the Agreement provides for the following:

1) It eliminates the 11 Month Maximum used in the LFS billing methodology[26] applicable to EP and RP billing for all EP and RP allocations, including Existing Allocations during the phase-in period to full standard Retail Tariff delivery rates (but beginning no earlier than July 1, 2013) and continuing for as long as these customers pay full standard Retail Tariff delivery rates for their Existing Allocations.

2) It bases EP and RP transmission and distribution billing on customers' metered demand instead of their contract demands for all allocations, including Existing Allocations during the phase-in period to full standard Retail Tariff delivery rates (but beginning no earlier

[26] See definition in footnote 18, *supra*.

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than July 1, 2013) and continuing for as long as these customers pay full standard Retail Tariff delivery rates for their Existing Allocations.

3) It provides for changing loss factors for Existing EP and RP allocations to standard Retail Tariff loss factors, so that standard Retail Tariff loss factors apply to all EP and RP Allocations.

4) It provides for direct sale of NYPA commodity by NYPA to EP and RP customers beginning July 1, 2013. NYPA will bill EP and RP customers directly for this power and for associated NYISO charges imposed by NYISO and incurred by NYPA as the Load Serving Entity[27] for the portion of the customers' load supplied by NYPA. The Agreement proposes to make the filings necessary to extend the buy-sell arrangement for RP approved by FERC in its approval of the 2004 Settlement Agreement from January 1, 2013 through June 30, 2013, and to thereafter go to a direct sale arrangement for RP.[28] If the extension of the buy-sell arrangement to June 30, 2013 is not approved, however, the Parties will implement the direct sale provisions of the Agreement on January 1, 2013 instead of on July 1, 2013.

5) It states that total load, including all EP and RP demands, will be used in determining the customers' respective parent delivery service classifications, during the phase-in period to full standard Retail Tariff delivery rates and continuing for as long as these customers pay full standard Retail Tariff delivery rates. Again, this is a beneficial change to customers in that it will allow them to potentially be included in a more beneficial service classification for them.

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[27] As defined in the NYISO OATT.

[28] The FERC rate schedule governing the transmission of RP (SA 1742/RS 19) will expire on December 31, 2011, but may be extended to no later than December 31, 2012, which extension will be the subject of a filing with FERC by the Company as provided for by the Agreement.

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IV. Supplemental Service and Historic Demand

The Company will continue to provide supplemental commodity service to RP and EP customers whose commodity needs are not fully met by their NYPA allocations, as it currently does, and will propose to continue doing so in its next rate case. The Agreement also provides that current practices regarding historic demand for RP and EP allocations will remain as they are now, but will be reviewed as part of the Company's next general rate case.

V. First Through the Meter and Rate II Services

A number of RP customers are currently billed using the Rate II billing methodology, as memorialized on leaf 403 of the Retail Tariff. Additionally, a number of EP and RP customers receive the FTM billing methodology, which is implemented via Service Classification 12 contracts (Individually Negotiated Rates) with these customers, as provided for in the Company's Retail Tariff. The Agreement provides that the Company will extend and support the extension of FTM and Rate II for all customers currently receiving such arrangements through the term of customers' "Agreement for the Sale of Expansion and/or Replacement Power and Energy" with NYPA, which agreements will become effective July 1, 2013, and extend for most customers until June 30, 2020, i.e., seven years. For two customers, these agreements extend through February 28, 2022 and June 30, 2028, respectively. SC-12 contracts normally are limited to five year terms, pursuant to Leaf 407 of the Retail Tariff. The Company hereby seeks the Commission's approval for the extension of FTM and Rate II through the term of the customers' Agreement for the Sale of Expansion and/or Replacement Power and Energy with NYPA, for customers currently receiving these arrangements. This will allow these customers certainty with respect to the billing methodologies they receive for their EP and RP

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allocations, and thereby continue to further the economic development goals of the EP and RP programs.

Conclusion

For the reasons stated herein, the Company respectfully requests that the Commission issue an Order:

1) Approve all jurisdictional provisions of the Agreement without change or condition; and
2) Approving the related tariff amendments filed herewith in order to implement the provisions contained in paragraphs 3 and 9 of the attached Agreement, and approve the extension of the FTM and Rate II services as provided for in paragraph 9 of the Agreement.

Respectfully submitted,

Niagara Mohawk Power Corporation d/b/a National Grid

By its Representative,

/s/ *Keri Sweet-Zavaglia*

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Agreement Regarding Treatment of Allocations of New York Power Authority Expansion Power and Replacement Power Beginning January 1, 2012 and Thereafter

WHEREAS, certain agreements pertaining to the delivery rates and delivery terms and conditions of New York Power Authority Replacement Power ("RP") and certain agreements pertaining to the delivery rates and delivery terms and conditions for New York Power Authority Expansion Power ("EP"), as defined in the April 21, 2004 Settlement Agreement in Federal Energy Regulatory Commission ("FERC") Docket Nos. ER03-989-000, ER03-991-000, ER03-992-000 and ER03-990-000,[1] will expire by their terms on December 31, 2011 and June 30, 2013, respectively; and

WHEREAS, the parties hereto, who are the New York Power Authority ("NYPA"), a corporate municipal instrumentality and a political subdivision of the State of New York (the "State"), existing under Title 1 of Article 5 of the New York Public Authorities Law ("PAL"), Niagara Mohawk Power Corporation d/b/a National Grid ("Company" or "National Grid"), Power for Economic Prosperity, a coalition of large EP and RP customers ("PEP"), and Multiple Intervenors, an unincorporated association of large commercial and industrial consumers with facilities located, inter alia, in the National Grid service territory ("MI") (collectively, "Parties"), desire to provide certainty to the EP and RP customers regarding sales and delivery service provisions, change certain terms and conditions related to the billing arrangements for EP and RP customers, and phase-in increases to the delivery rates that will apply after the expiration of the current EP and RP agreements; and

WHEREAS, the Parties intend this Agreement (defined below) to apply, except where designated otherwise, to all Allocations of EP and RP, including Existing, Additional and New Allocations of EP, as well as or Existing and New Allocations of RP ("Allocations"), all as defined in the April 21, 2004 Settlement Agreement filed with, and accepted by, FERC; and

WHEREAS, the Parties intend the provisions of Paragraph 1 of this Agreement to apply only to Existing Allocations of EP and RP; and

WHEREAS, (i) in accordance with PAL § 1005(5)(g), the rates, services and practices of the companies engaged in the transmission and distribution of NYPA hydropower used to supply EP and RP (*e.g.* National Grid) are governed by the provisions and principles established by contract, (ii) the retail transmission of EP and RP is currently governed by the FERC, and (iii) NYPA is willing to agree for purposes of this Agreement that the delivery services for such hydropower shall be determined in accordance with the provisions of this Agreement, some of which are subject to PSC or FERC approval, provided that NYPA's agreement does not constitute a waiver of any jurisdictional arguments based on PAL § 1005(5)(g) for purposes of any future agreements or proceedings;

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[1] Settlement Agreement in FERC Docket Nos. ER03-989-000, ER03-991-000, ER03-992-000 and ER03-990-000, among Niagara Mohawk Power Company d/b/a National Grid, the New York Power Authority, Multiple Intervenors, Occidental Chemical Corporation, and ISG Lackawanna Inc. ("April 21, 2004 Settlement Agreement").

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NOW, THEREFORE, the Parties hereby enter into this Agreement Regarding Treatment of Allocations of Expansion Power and Replacement Power Beginning January 1, 2012 and Thereafter ("Agreement"), and intending to be legally bound, agree to the following terms and conditions:

1) Subject to Paragraph 2 below, beginning January 1, 2012, all Existing EP and Existing RP customers' delivery charges will be based on a percentage discount off of standard tariff delivery rates in effect at the time as provided for by Section Five of the New York Independent System Operator's ("NYISO") Open Access Transmission Tariff ("OATT") and Service Classification Number 4 of the National Grid's PSC No. 220 Electricity, Niagara Mohawk Power Corporation d/b/a National Grid Schedule for Electric Service Applicable in All Territory Served by this Company ("PSC 220" or "Retail Tariff"), and as determined by the customers' otherwise applicable parent delivery service classifications and voltage delivery levels as provided in the Retail Tariff, and will transition to full standard tariff delivery rates in accordance with the phase-in schedules set forth in Paragraphs 1(a) and 1(b) below.

    a. For customers with:(i) Primary voltage delivery levels (2.2-15kV) whose parent delivery service classification is Service Classification 3 and for whom non-NYPA electric demand accounted for more than 15% of their total electric demand during the time period July 1, 2010 through June 30, 2011, (ii) Primary voltage delivery levels (2.2-15kV) whose parent delivery service classification is Service Classification 3-A; (iii) Subtransmission voltage delivery levels (22-50 kV); and (iv) Transmission voltage delivery levels (over 60 kV), the following discounts off of the full standard tariff rates that are otherwise in effect at each date noted below, will go into effect on the following dates:

        i. January 1, 2012: 20% discount off of applicable standard tariff rates in effect at that time. No other changes to the billing methodology for EP and RP will be made as of January 1, 2012.

        ii. January 1, 2013: 15% discount off of applicable standard tariff rates in effect at that time.

        iii. January 1, 2014: 15% discount off of applicable standard tariff rates in effect at that time.

        iv. January 1, 2015: 10% discount off of applicable standard tariff rates in effect at that time.

        v. January 1, 2016: Then-existing delivery rates will be increased to the same level as the then-existing applicable standard tariff rates in effect at that time.

    b. For customers served at Primary voltage delivery levels (2.2-15kV) whose parent delivery service classification is Service Classification 3 and for whom non-NYPA electric demand accounted for 15% or less of their

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electric demand during the time period July 1, 2010 through June 30, 2011, the following discounts off of the full standard tariff rates that are otherwise in effect at each date noted below, will go into effect on the following dates:

i. January 1, 2012: 65% discount off of applicable standard tariff rates in effect at that time. No other changes to the billing methodology for EP and RP will be made as of January 1, 2012

ii. January 1, 2013: 55% discount off of applicable standard tariff rates in effect at that time.

iii. January 1, 2014: 45% discount off of applicable standard tariff rates in effect at that time.

iv. January 1, 2015: 35% discount off of applicable standard tariff rates in effect at that time.

v. January 1, 2016: 25% discount off of applicable standard tariff rates in effect at that time.

vi. January 1, 2017: 15% discount off of applicable standard tariff rates in effect at that time.

vii. January 1, 2018: Then-existing delivery rates will be increased to the same level as the then-existing applicable standard tariff rates in effect at that time.

2) Surcharges or surcharge exemptions with respect to delivery rates for all Allocations, including but not limited to exemption from the Legacy Transition Charge and proposed Temporary Deferral Recovery Surcharge, will be subject to any applicable orders of the appropriate regulatory authority issued and in effect from time to time. Prior to January 1, 2016, the Company will take no position in opposition to the existing exemptions from the System Benefit Charge, Renewable Portfolio Surcharge, Energy Efficiency Portfolio Standard surcharge, Transmission Revenue Adjustment Charge and Legacy Transition Charge, but will advance exemptions from the Temporary Deferral Recovery Surcharge for EP and RP customers, as proposed in its Compliance Filing dated July 29, 2011, in Case 10-E-0050.

3) Beginning July 1, 2013, National Grid will:

a. Eliminate the previous 11 month maximum used in the load factor sharing billing methodology applicable to EP and RP billing for all Allocations during the phase-in period to full standard tariff delivery rates (subject to Paragraph 2) and continuing for as long as these customers pay full standard tariff delivery rates (subject to Paragraph 2) for their Existing Allocations. The Company agrees to modify its Retail Tariff provisions

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governing the Service Classification No. 4 service class ("SC-4") and/or three-party sales agreements, as necessary, to effectuate this provision.

b. Base EP and RP transmission and distribution billing on customers' metered demand instead of their contract demands for all Allocations during the phase-in period to full standard tariff delivery rates (subject to Paragraph 2) and continuing for as long as these customers pay full standard tariff delivery rates (subject to Paragraph 2) for their Existing Allocations. The Company agrees to file to modify its tariff provisions governing the SC-4 service classification and/or three-party sales agreements, as necessary, to effectuate this provision.

c. Notwithstanding language to the contrary in sub-paragraphs 3.a and 3.b, the provisions of those sub-paragraphs shall apply to customers whose retail delivery rates are discounted pursuant to their Service Classification 12 contracts under the Retail Tariff unless their contracts dictate otherwise.

d. Change loss factors for Existing EP and RP Allocations to standard Retail Tariff loss factors, so that standard Retail Tariff loss factors apply to all EP and RP Allocations.

e. File to amend the Retail Tariff to provide for direct sale of NYPA commodity by NYPA to EP and RP customers.

f. The provisions of this Paragraph 3 will remain in effect until at least June 30, 2020, and thereafter until modified by the appropriate regulatory authority. Any of the Parties may file a request for modification of these provisions to be effective at any time after June 30, 2020.

4) Beginning July 1, 2013, total load, including all EP and RP demands, will be used in determining the customers' respective parent delivery service classifications, during the phase-in period to full standard tariff delivery rates and continuing for as long as these customers pay full standard tariff delivery rates, subject to Paragraph 2, on their Existing Allocations of EP or RP; provided, by way of clarification, that the terms of this Paragraph 4 also shall apply to customers whose retail delivery rates are discounted pursuant to their Service Classification 12 contracts under the Retail Tariff.

5) PEP, MI, NYPA, PEP on behalf of the members of PEP, and MI on behalf of participating hydropower members of MI, agree not to challenge the phase-in to standard tariff delivery rates or to advocate for a separate delivery rate or service classification for EP and RP Allocations until after the phase-ins to standard tariff delivery rates for the customers' respective parent delivery service classifications and voltage delivery levels pursuant to this Agreement are complete (as set forth in Paragraph 1 of this Agreement), provided that nothing herein shall be read as preventing any Party or the EP or RP customers from opposing (either during the

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phase-in period or thereafter) proposed increases to the standard delivery rates to which the discounts provided for in this Agreement apply.

The Parties acknowledge and agree that when used in this Agreement, "participating hydropower members of MI" shall mean MI members with Allocations of RP and EP in the National Grid service territory whose identities have previously been disclosed to National Grid.

6) The Company will continue to provide and deliver supplemental power to EP and RP customers and, where applicable, to perform load-splitting functions in order to render appropriate delivery service bills, as currently provided for in the Company's Retail Tariff. Either the Company, an Energy Service Company ("ESCO") or the Customer itself can serve as the Customer's Load Serving Entity ("LSE")[2] for the Customer's non-NYPA load. As part of its next PSC general rate case filing, the Company will propose to continue to (a) provide the current default, or supplemental, commodity service to RP and EP customers if the customer does not procure its non-NYPA supply from a third party or act as its own LSE and (b) where applicable, perform the current load-splitting functions. The Company will not charge a separate fee for the administrative and billing services that it continues to provide to NYPA, and EP and RP customers. The provisions of this Paragraph 6 will remain in effect until at least June 30, 2020, and thereafter until modified by the appropriate regulatory authority. Any of the Parties to this Agreement may file a request for modification of any of the applicable rules or regulations affecting this Paragraph 6 to be effective at any time after June 30, 2020.

7) Current practices regarding historic demand for EP and RP Allocations will continue to be in effect, but shall be reviewed in the Company's next general rate case, and the Parties reserve any rights they may have to address the issue at that time or thereafter.

8) <u>Buy-Sell Structure, Supplemental Service and Direct Sales</u>: To the extent consistent with relevant regulatory requirements, the Company will retain the current buy-sell structure and supplemental service for both EP and RP through and until June 30, 2013. As provided for in Paragraph 11 of this Agreement, NYPA and the Company will extend Contract RP-1 through and until June 30, 2013, after the expiration of the "Amended and Restated Agreement for The Retail Transmission of Replacement Power Between Niagara Mohawk Power Corporation and the Power Authority of The State of New York," previously designated Niagara Mohawk Power Corporation, FERC Electric Tariff Rate Schedule 19, First Revised Volume No. 1 ("RS 19")[3] on December 31, 2012. The Parties will make the filings with the PSC and/or FERC as may be necessary to retain the buy-sell structure for RP for the period January 1, 2013 through June 30, 2013. If the relevant regulatory agency(ies) do(es) not approve an extension of the current buy-sell structure for that period, then the Parties will implement the direct sales provisions of this Agreement

[2] As defined in the NYISO OATT, or successor tariffs.

[3] Pursuant to FERC Order No. 714, this agreement has been designated First Revised Service Agreement No. 1742, under the New York Independent System Operator, Inc. ("NYISO") Open Access Transmission Tariff ("OATT"), FERC Electric Tariff, Original Volume No. 1 ("SA 1742").

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for RP on January 1, 2013, instead of July 1, 2013. As provided for in Paragraph 11 of this Agreement, the Company will file to terminate RS 19 effective December 31, 2012, after which time all retail transmission deliveries of RP will be governed by the NYISO OATT. Notwithstanding the foregoing, beginning July 1, 2013, NYPA will sell EP and RP hydropower directly to customers with EP and RP Allocations, and will bill such customers directly for this power and for associated NYISO charges imposed by NYISO and incurred by NYPA as LSE for the portion of the customers' load supplied by NYPA. Prior to July 1, 2013, NYPA and the customers will meet to discuss the methodology for how the NYISO charges will be billed. To the extent that a customer's NYPA allocations cover its entire load, NYPA will act as such customer's LSE, provided however that nothing in this Agreement shall require NYPA to perform the LSE function related to electric supply required by such customer in excess of the customer's NYPA allocations. The provisions of this Paragraph 8 will remain in effect until at least June 30, 2020, and thereafter until modified by the appropriate regulatory authority. Any of the Parties to this Agreement may file a request for modification of the provisions of the Company's governing FERC documents or the Retail Tariff, or successor tariffs, addressed in this Paragraph 8 to be effective at any time after June 30, 2020.

9) First Through the Meter ("FTM")[4] and RP Rate II[5] Services: The Company will: (a) extend and support the extension of the FTM and Rate II billing methodologies for all customers currently receiving such arrangements through and until June 30, 2013 with NYPA's consent; and (b) extend, with NYPA's consent, the FTM and Rate II billing methodology for all customers currently receiving such arrangements through the term of the customer's "Agreement for the Sale of Expansion and/or Replacement Power and Energy," which agreements will become effective on July 1, 2013. The FTM provisions of this Paragraph 9 currently are further subject to the requirements of Service Classification No. 12 (SC-12) in the Retail Tariff, which limits the terms of SC-12 contracts to five years without PSC approval. The Company will work with customers currently receiving the FTM billing methodology on extensions of their FTM billing methodology via extended or new SC-12 contracts or by other appropriate means. The provisions of this Paragraph 9 will remain in effect until the expiration dates of the agreements referenced in sub-paragraph 9.b above.

10) Intentionally left blank.

11) To effectuate this Agreement, NYPA, PEP and MI further agree, in exchange for the commitments contained herein, which will be implemented through the Company's Retail Tariff starting on January 1, 2012, as follows:

    a. The Company will file this Agreement with the PSC for approval, and will make tariff filings in order to implement the terms of the Agreement. On or before November 1, 2011, the Company will file (i) an application with FERC to modify the delivery rates in RS 19 and in the "Amended and

[4] FTM refers to the "first-through-the-meter" billing methodology.

[5] Rate II refers to NYPA's sale of RP for certain Existing Allocations at 100% load factor as may be prescribed by contract.

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Restated Agreement for The Retail Transmission of Expansion Power Between Niagara Mohawk Power Corporation and the Power Authority of The State of New York," previously designated Niagara Mohawk Power Corporation, FERC Electric Tariff Rate Schedule 159, First Revised Volume No. 1 ("RS 159")[6] for the year 2012 in accordance with the provisions of this Agreement, to which NYPA will consent, and (ii) an application with FERC to extend RS 19 as a rate schedule through the end of 2012. The Company will make a compliance filing with the PSC in order to implement any changes made by FERC pursuant to the Company's filings with FERC, and that may require a conforming amendment to the Company's Retail Tariff.

b. The Company will file an application with FERC to modify the delivery rate in RS 159 for the period January 1, 2013 through June 30, 2013, in accordance with the terms of this Agreement. The Company will make a compliance filing with the PSC in order to implement any changes made by FERC pursuant to the Company's filing with FERC, and that may require a conforming amendment to the Company's Retail Tariff.

c. The Company will make a filing with the PSC and/or FERC to implement provisions in Paragraphs 3 and 4of this Agreement for EP and RP customers effective July 1, 2013.

d. The Company will file to (i) terminate RS 19 effective December 31, 2012, and (ii) terminate RS 159 effective June 30, 2013.

e. The Company will make any other filings with the PSC and with FERC necessary to implement the provisions of this Agreement.

f. The Company, NYPA, PEP and MI will make any filings with the appropriate regulatory authorities that would assist the Company in securing approval of the provisions of this Agreement.

g. On or before November 1, 2011, NYPA and the Company will amend and restate Contract RP-1 regarding the purchase and resale of RP associated with New Allocations in order to extend the term of that Contract RP-1 beyond December 31, 2011 through and including June 30, 2013 and to expand its scope to include, effective January 1, 2013, Existing as well as New Allocations of RP.

12) The Company also notes that pursuant to the January 24, 2011 Order in the Company's last retail electric rate case before the PSC, Case No. 10-E-0050 ("Order"), the PSC ordered that it would set the Company's Return on Equity (ROE) at 9.3% so long as the Company refrains from filing new base rates prior to January 1, 2012; otherwise, the Company's ROE will be set at 9.1%. The parties

[6] Pursuant to FERC Order No. 714, this agreement has been designated First Revised Service Agreement No. 1743, under the New York Independent System Operator, Inc. ("NYISO") Open Access Transmission Tariff ("OATT"), FERC Electric Tariff, Original Volume No. 1 ("SA 1743").

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agree that the purpose of this Agreement is to extend and modify the agreements relating to the delivery of RP and the rates, terms and conditions of EP and RP and that it affects only a limited number the Company's customers. Accordingly, the parties believe that the changes to the Company's Retail Tariff provided for in this Agreement do not constitute a filing of new base rates. If the Company is advised, either formally or informally, by the PSC that the PSC believes that this Agreement or any part thereof violates the Commission's Order, the Company shall have the right to wait to move forward with its obligations under this Agreement until January 1, 2012 or thereafter, provided that nothing contained in this Paragraph 12 shall postpone the Company's obligation to make, on or before November 1, 2011, the filing required in Paragraph 11.a.ii and the contract amendment required in Paragraph 11.g.

13) This Agreement is subject to any necessary approvals from FERC and the PSC.

14) The Parties will support this Agreement and any filings made to implement the provisions of this Agreement, and will seek to obtain approval of this Agreement and the filings to implement this Agreement as quickly as possible. The members of PEP and the participating hydropower members of MI will not oppose this Agreement or any filings made to implement the provisions of this Agreement. PEP and MI represent, on behalf of the members of PEP and MI, that the members of PEP and the participating hydropower members of MI will not oppose this Agreement or any filings made to implement the provisions of this Agreement.

15) The provisions of this Agreement are the result of compromise by the Parties hereto and are not intended to create any binding precedent, and the provisions of this Agreement shall not be cited as a precedent binding upon any Party hereto in any future proceeding.

16) This Agreement is conditioned upon the PSC's approval and FERC's acceptance of all provisions hereof without change or condition. In the event that the PSC does not approve by order or FERC does not accept the Agreement in its entirety, and without change or condition, each Party shall have the right to withdraw from the Agreement upon written notice to the other Parties, and to the PSC or to FERC, within 30 days of the regulatory agency orders being issued. If any Party gives such notice, this Agreement shall be deemed withdrawn, and it shall be null and void and not be in effect or be used for any other purpose.

17) If either (i) the PSC refuses to approve this Agreement without modification or condition within one hundred and twenty (120) days of filing thereof; or (ii) the FERC refuses to accept this Agreement for filing without modification or condition within one hundred and twenty (120) days of the filing thereof, and, as a result, any Party thereafter exercises its right to withdraw from this Agreement, nothing contained in this Agreement, in such filing or any Service Agreement made pursuant thereto shall affect or be construed as affecting in any way the Company's right to unilaterally make application to FERC for a change in rates, the terms and conditions, charges, classification of service, Service Agreement, rule or regulation of RS 19 or RS 159, or any other tariff or rate schedule under Section 205 of the

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Federal Power Act and pursuant to the FERC's rules and regulations promulgated thereunder and, provided further, that the other Parties reserve all of their rights with respect to responding to any filing made by the Company pursuant to this Paragraph 17.

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AGREED:

Niagara Mohawk Power Corporation d/b/a National Grid

By: Kenneth Daly

Title: PRESIDENT, NATIONAL GRID NEW YO

Date: SEPTEMBER 28, 2011

New York Power Authority

By: ____________________

Title: ____________________

Date: ____________________

Multiple Intervenors

By: ____________________

Title: ____________________

Date: ____________________

Power for Economic Prosperity

By: ____________________

Title: ____________________

Date: ____________________

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AGREED:

Niagara Mohawk Power Corporation d/b/a National Grid

By: ______________________________

Title: ______________________________
Date: ______________________________

New York Power Authority

By: ______________________________

Title: SVP- Marketing + Economic Development
Date: 9/29/11

Multiple Intervenors

By: ______________________________

Title: ______________________________
Date: ______________________________

Power for Economic Prosperity

By: ______________________________

Title: ______________________________
Date: ______________________________

Received: 09/29/2011

AGREED:

Niagara Mohawk Power Corporation d/b/a National Grid

By: ______________________________

Title: ______________________________
Date: ______________________________

New York Power Authority

By: ______________________________

Title: ______________________________
Date: ______________________________

Multiple Intervenors

By: Robert M. Loughney

Title: Counsel
Date: 9/28/2011

Power for Economic Prosperity

By: ______________________________

Title: ______________________________
Date: ______________________________

Received: 09/29/2011

AGREED:

Niagara Mohawk Power Corporation d/b/a National Grid

By: ______________________________

Title: ______________________________
Date: ______________________________

New York Power Authority

By: ______________________________

Title: ______________________________
Date: ______________________________

Multiple Intervenors

By: ______________________________

Title: ______________________________
Date: ______________________________

Power for Economic Prosperity

By: Barbara S Brenner

Title: Counsel
Date: September 29, 2011