



March 26, 2015

Honorable Kathleen H. Burgess, Secretary
State of New York
Public Service Commission
Office of the Secretary
Three Empire State Plaza
Albany, NY 12223

Dear Secretary Burgess:

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

Statement of Supply Service Charges No. 40

To P.S.C. No. 220 Electricity

Effective: March 31, 2015

The above statement is being filed in accordance with Rule No. 46.4-Supply Service Charges in PSC No. 220 Electricity. Attachments 1 and 2 of this filing display the derivation of these charges. Also, included in this statement is the residential agricultural discount rate in accordance with Rule No. 46.2.6.7 in PSC No. 220 Electricity.

In accordance with the Order issued on April 25, 2014 in Case 14-E-0026, this statement includes the reconciliation of the remaining deferral balance related to the mass market credits provided to SC-1 and SC-2ND customers in February 2014 bills. The initial six month collection period occurred from Jun 2014-Nov 2014 and the unrecovered balance remaining after the initial six month collection was included in January 2015 bills. The Order specified that any balance remaining after these two recovery periods would be collected or refunded through the New Hedge Adjustment component of the ESRM for mass market customers. The details of the remaining balances by load zone are included in Attachment 2 of this filing.

This Supply Service Charge Statement is to be filed with the Commission on not less than three (3) business days notice before the effective date. Supply Service Statement No.40 is effective March 31, 2015 for batch billed customers, and April 1, 2015 for calendar month billed customers.

Please direct any questions regarding this filing to the undersigned.

Sincerely,

Carol Teixeira,
Manager, NY Electric Pricing
(315) 428-6104

Attachment: SC40