



February 9, 2015

Honorable Kathleen H. Burgess, Secretary
State of New York
Public Service Commission
Office of the Secretary, 19th Floor
Three Empire State Plaza
Albany, NY 12223

RE: Case 12-E-0201 – Order Approving Electric and Gas Rate Plans in Accord with Joint Proposal

Dear Secretary Burgess:

The attached Statement issued by Niagara Mohawk is being transmitted for filing in accordance with the requirements of the Public Service Commission, State of New York.

Statement of Reliability Support Services (RSS) Surcharge

Statement No. 2

To P.S.C. No. 220 Electricity

Effective: March 1, 2015

The above Statement of Reliability Support Services Surcharge No. 2 is being filed per Rule No. 50 – Reliability Support Services (RSS) Surcharge of PSC No. 220 Electricity. Specifically, Rule No. 50 provides for recovery from customers of cost incurred by the Company, and approved by the Commission, for third-party services to ensure that local reliability needs are met. In accordance with Rule No. 50.2.2.3 the RSS surcharge is subject to an annual reconciliation for any over or under collections from the previous year. The purpose of this filing is to establish RSS factors based on this annual reconciliation for an over collection from customers as of December 31, 2014. These factors will be effective for a four month period commencing March 1, 2015 through the end of the current contract period of June 30, 2015.

RSS Statement No. 2 attached to this filing shows the rate effective March 1, 2014, the rate resulting from the reconciliation and the total rate effective March 1, 2015.

In accordance with the above order, issued March 15, 2013, in Case 12-E-0201, Page 15, Reliability Support Services (“RSS”) and as documented in the joint proposal issued by the Company in this case, up to \$57 million of electric deferral credits were used to offset RSS costs associated with the Dunkirk generating plant or other RSS agreements.

Attachment No. 1, included with this filing, displays the derivation of the rates.

Please advise the undersigned of any action taken in regards to this filing.

Sincerely,

/s/ Carol Teixeira

Carol Teixeira
Manager – Electric Pricing

Attachments