



February 6, 2014

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. 1

To P.S.C. No. 214 Electricity

Effective: March 1, 2014

The above Statement of Reliability Support Services Surcharge No. 1 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 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 would be used to offset RSS costs associated with the Dunkirk generating plant or other RSS agreements. Attachment No. 1, included with this filing, displays the monthly actual and forecast costs of the current contract with NRG for reliability support services provided by the Dunkirk Generating Station.

Attachment No. 2, included with this filing, displays the derivation of the rates to recover the contracts costs less the \$57M that was deferred. Statement of Reliability Support Services No. 1 is effective for a 16 month period, March 1, 2014 through June 30, 2015.

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

Sincerely,

/s/ Pamela B. Dise

Pamela B. Dise
Manager – Electric Pricing

Attachments