



October 24, 2013

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. 23

To P.S.C. No. 220 Electricity

Effective: October 29, 2013

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.

Please note that this statement includes an adjustment to the ESRM calculation. The Company implemented a revised expense reconciliation methodology for the ESRM beginning with March 2013 rates which was intended to better align the costs and revenues. The Company compared current month ESCost revenue to supply costs which consisted of half of the current month's costs and half of the prior month's costs. However, this methodology created unintended financial impacts to the Company, so Staff and the Company have agreed to return to the original ESRM methodology beginning with December 2013 rates. Staff and the Company have also agreed to begin the collection of one half of September 2013 actual supply costs that have not yet been collected from customers beginning in November rates and will continue for the next 11 months. The adjustment is shown on Attachment 1, page 1, lines 17-19 and Attachment 2.

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.23 is effective October 29, 2013 for batch billed customers, and November 1, 2013 for calendar month billed customers.

Please direct any questions regarding this filing to the undersigned.

Sincerely,

*/s/ Pamela B. Dise*  
Pamela B. Dise,  
Manager-Electric Pricing  
(315) 428-5172

Attachment:SC23