



September 23, 2013

Honorable Kathleen H. Burgess, Secretary
State of New York
Public Service Commission
Office of the Secretary, 19th Floor
Three Empire State Plaza
Albany, New York 12223-1350

RE: Case No. 03-E-0188 – Proceeding on Motion of the Commission Regarding a Retail Renewable Portfolio Standard – *Order Authorizing Customers-Sited Tier Program Through 2015 and Resolving Geographic Balance and Other Issues Pertaining to the RPS Program*

Dear Secretary Burgess:

The attached Renewable Portfolio Surcharge (“RPS”) Surcharge Statement, issued by Niagara Mohawk Power Corporation, d/b/a National Grid, is being transmitted for filing in accordance with the requirements of the Public Service Commission, State of New York:

Statement of Renewable Portfolio Surcharge-Statement No. 7

To P.S.C. No. 220 Electricity

Effective: October 1, 2013

This filing is being issued in compliance with Order issued December 24, 2004 in the above mentioned proceeding. Specifically, Ordering Clause No. 4 directed the Company to update the RPS surcharge for each 12 month collection period’s level of funding as established in Appendix E of this Order. On April 2, 2010, the PSC issued a further order in this proceeding – *Order Authorizing Customer Sited Tier Program Through 2015 and Resolving Geographic Balance and Other Issues Pertaining the RPS Program* establishing new budgets and targets through 2015 and increasing the collection of costs associated with these programs from utility customers per Table 16 of this order. Each collection period is to commence three months prior to the applicable calendar year, or October 1, and fashioned to correspond to each utility’s respective collection allocations, with any over or under collections being trued up on an annual basis.

The attachments included with this filing present the development of the revised RPS collection rate. The Company proposes that the revised RPS collection rate of **\$0.002990/kWh** become effective on October 1, 2013 and remain in effect through September 30, 2014. It is projected the revised collection rate will recover **\$81,731,673** during the period twelve months ending September 30, 2014 which consists of the Company-specific annual collection allocation for 2014 of **\$80,793,080** and the 2013 reconciliation adjustment of **\$768,030**. An adjustment has also been made to account for a billing adjustment made in August 2012 in the amount of **\$170,223** which has also added to the total collection amount for 2014.

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The attachments included with this filing support the RPS reconciliation calculation and the development of the proposed RPS collection rate. All attachments are footnoted accordingly to describe the calculations used and the input data required to perform the reconciliation and the development of the proposed RPS collection rate. The attachments are as follows:

- Attachment 1: RPS Collections during the Period October 1, 2012-September 30, 2013
- Attachment 2: RPS Applicable Sales (kWh) for the Recovery Period of October 1, 2013-September 30, 2014
- Attachment 3: Development of RPS Collection Rate – Effective October 1, 2013

Please direct any action regarding this filing to the undersigned.

Sincerely,

/s/ Patricia J. Rivers

Patricia J. Rivers
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