



February 25, 2013

Honorable Jaclyn A. Brilling, Secretary  
State of New York  
Public Service Commission  
Office of the Secretary  
Three Empire State Plaza  
Albany, NY 12223

Dear Secretary Brilling:

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. 15  
To P.S.C. No. 214 Electricity  
Effective: February 28, 2013

The above statement is being filed in accordance with Rule No. 46.4-Supply Service Charges in PSC No. 220 Electricity. Attachment 1 of this filing displays the derivation of these charges.

Please note that this statement includes the implementation of a revised expense reconciliation methodology for the ESRM that was approved by PSC staff following the Semi-Annual Electric Supply Portfolio Review meeting in December. This methodology aligns the costs and revenues better, by comparing the current month ESCost revenue to purchased power costs that consist of half of the current month costs and half of the prior month's costs. Since this is the first month of the revised reconciliation methodology, the ESRM is a sizable credit to customers' bills. Going forward, this methodology should mitigate the volatility within the ESRM reconciliation each month.

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. 15 is effective February 28, 2013 for batch billed customers, and March 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:SC15

NIAGARA MOHAWK POWER CORPORATION  
STATEMENT OF SUPPLY SERVICE CHARGES**FOR THE BILLING MONTH OF MARCH 2013**

Applicable to Billings Under P.S.C. No. 214 Outdoor Lighting

EFFECTIVE: BILLING CYCLE 1, FEBRUARY 28, 2013, THROUGH BILLING CYCLE 20, MARCH 27, 2013 FOR BATCH BILLINGS

EFFECTIVE: MARCH 1, 2013 TO MARCH 31, 2013 FOR CALENDAR MONTH BILLINGS

All rates are dollars/kWh

**Commodity Rates****Rule 46.3 Electricity Supply Reconciliation Mechanism (ESRM)**

Service Classification	New Hedge Adjustment	Balance of the ESRM	Zone	<b><u>Billed Rate</u></b> <b><u>ESRM</u></b>
All Outdoor Lighting service classifications		(0.021032)	All Zones	(0.021032)

**Delivery Rates****Rule 46.2 Legacy Transition Charge**

Service Classification	<u>Rule 46.2</u> LTC	<u>Rule 46.2.6 NYPA Benefit</u>		Zone	<b><u>Billed Rate</u></b> <b><u>LTC</u></b>
		NYPA R&D Contracts	Recharge NY RCD Payment		
All Outdoor Lighting service classifications	0.001065			All Zones	0.001065

Rates shown above are exclusive of gross receipts taxes.

Issued by: Kenneth D. Daly, President, Syracuse, New York  
Dated: February 25, 2013

**"Balance of the ESRM"**  
**Rule 46.3.2 and Rule 46.3.3****Dollar Reconciliations**

Actual Electricity Supply Costs in calendar month of:	*	December 2012	\$	-
Actual Electricity Supply Costs in calendar month of:		January 2013	\$	96,673,943.08
<b>1 Rule 46.3.3.1 Actual Electricity Supply Costs to be Reconciled</b>		<b>Half from Each Month</b>	<b>\$</b>	<b>48,336,971.54</b>
Actual OMVC of Legacy Hedges (excluding NYPA R&D) in calendar month of:	*	December 2012	\$	-
Actual OMVC of NYPA R&D Contracts in calendar month of:	*	December 2012	\$	-
Actual OMVC of New Hedges in calendar month of:	*	December 2012	\$	-
<b>2 Actual Net Market Value (OMVC) of Self-Reconciling Mechanisms and Adjustments</b>		December 2012	\$	-
Actual OMVC of Legacy Hedges (excluding NYPA R&D Contracts) in calendar month of:		January 2013	\$	2,186,840.07
Actual OMVC of NYPA R&D Contracts in calendar month of:		January 2013	\$	(897,535.50)
Actual OMVC of New Hedges in calendar month of:		January 2013	\$	(7,925,332.00)
<b>3 Actual Net Market Value (OMVC) of Self-Reconciling Mechanisms and Adjustments</b>		January 2013	\$	(6,636,027.43)
<b>4 Actual Net Market Value (OMVC) to subtract from Line 1</b>		<b>Half from Each Month</b>	<b>\$</b>	<b>(3,318,013.72)</b>
<b>5 Actual Market Cost of Electricity Supply to be Reconciled (Line 1 minus Line 4)</b>			<b>\$</b>	<b>51,654,985.26</b>
<b>6 Rule 46.1 ESCost Revenue from All Commodity Customers in revenue month of:</b>		<b>January 2013</b>	<b>\$</b>	<b>76,745,519.75</b>
<b>7 Balance of the ESRM (Line 5 minus Line 6)</b>			<b>\$</b>	<b>(25,090,534.49)</b>
<b>Rule 46.3.2 Mass Market Adjustment</b>				
8 Actual Commodity Rate (\$/kWh) for calendar month of:		January 2013		0.07367
9 Forecast Commodity Rate (\$/kWh) for calendar month of:		January 2013		0.05980
10 Actual Commodity Rate (\$/kWh) for calendar month of:		December 2012		0.04740
11 S.C. 1 & S.C. 2ND Billed Commodity Sales (kWh) in revenue month of:		January 2013		931,789,783
<b>12 Mass Market Adjustment: (Line 8 - Line 9)(Line 11) + (Line 10 - Line 8)[(1/2)(Line 11)]</b>			<b>\$</b>	<b>684,865.49</b>
<b>13 Rule 46.3.3 Supply Service Adjustment (Line 7 minus Line 12)</b>			<b>\$</b>	<b>(25,775,399.98)</b>
14 'Balance of the ESRM' (Line 7) plus Sales Reconciliation (Line 16) calculated for January 2013 Billing			\$	13,036,204.75
15 'Balance of the ESRM' Billed in January 2013			\$	12,254,239.25
<b>16 Balance of the ESRM Sales Reconciliation for March 2013 billing (Line 14 minus Line 15)</b>			<b>\$</b>	<b>781,965.50</b>

\* December 2012 costs were reconciled last month. To transition to the new ESRM 50/50 formula, only half of January 2013 costs are reconciled.

**Rate Calculations****Billing Month  
March 2013**

17 Forecast Total Commodity Sales for Billing Month (kWh)	1,188,355,515
18 Supply Service Adjustment factor for all Commodity Customers (Line 13/ Line 17)	(0.021690)
19 Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh)	826,164,940
20 Mass Market Adjustment factor (Line 12/ Line 19)	0.000829
21 Balance of the ESRM Reconciliation Factor (Line 16/ Line 17)	0.000658
<b>Balance of the ESRM Rates (\$/kWh)</b>	
22 Unhedged & MHP customers (Line 18 + Line 21)	<b>(0.021032)</b>
23 SC1 & SC2-ND Customers (Line 18 + Line 20 + Line 21)	<b>(0.020203)</b>

**New Hedge Adjustment**  
**Rule 46.3.1**

	<b><u>January 2013</u></b>	<b><u>March 2013</u></b>
1 Forecast Net Market Value (OMVC) of New Hedges		\$ (1,787,911.03)
2 Actual Net Market Value (OMVC) of New Hedges	\$ (7,925,332.00)	
3 Prior New Hedge Adjustment reconciliation calculated for January 2013 Billing	<u>\$ (2,032,537.72)</u>	
4 Intended Billing (Line 2 + Line 3)	<u>\$ (9,957,869.72)</u>	
5 New Hedge Adjustment Billed Revenue	\$ (4,743,156.94)	
6 Reconciliation of Billed Revenue (Line 4 - Line 5)		<u>\$ (5,214,712.78)</u>
7 New Hedge Adjustment for March 2013 Billing (Line 1 + Line 6)		\$ (7,002,623.81)
<b><u>Rate Calculation</u></b>		<b><u>Billing Month March 2013</u></b>
8 Forecast SC-1 and SC-2ND Commodity Sales in Billing Month (kWh)		826,164,940
9 <b>New Hedge Adjustment</b> (Line 7/ Line 8)		<b>\$ (0.008476)</b>

**Legacy Transition Charge**  
**Rule 46.2**  
**(exclusive of the Rule 46.2.6 NYPA Benefit)**

	<b><u>January 2013</u></b>	<b><u>March 2013</u></b>
1 Forecast Net Market Value (OMVC) of Legacy Hedges		\$ 5,368,028
2 Scheduled Nine Mile 2 RSA Credit		\$ -
3 Actual Net Market Value (OMVC) of Legacy Hedges	\$ 2,186,840.07	
4 Nine Mile 2 RSA Credit	\$ -	
5 Prior LTC reconciliation calculated for January 2013 Billing	<u>\$ (325,437.84)</u>	
6 Intended Billing (Line 3 + Line 4 + Line 5)	<u>\$ 1,861,402.23</u>	
7 Legacy Transition Charge Billed Revenue	\$ 4,505,036.40	
8 Reconciliation of Billed Revenue (Line 6 - Line 7)		<u>\$ (2,643,634.17)</u>
9 Legacy Transition Charge for March 2013 Billing (Line 1 + Line 2 + Line 8)		\$ 2,724,394
<b><u>Rate Calculation</u></b>		<b><u>Billing Month</u></b> <b><u>March 2013</u></b>
10 Forecast Total Delivery Sales in Billing Month (kWh) *		2,558,296,113
11 <b>Legacy Transition Charge</b> (Line 7/ Line 8)		<b>\$ 0.001065</b>

\* exclusive of NYPA, Empire Zone Rider and Excelsior Jobs Program loads

**Nine Mile 2 Revenue Sharing Agreement**  
**Rule 46.2.7**  
**Record of Quarterly Payments and Calculation of Interest on Deferred RSA Credits**

Billing Month	Beginning Balance (A)	* RSA Collection from Constellation (B)	Credit of Prior Month Interest (C)	Credit One-Third RSA Collection (D)	Interest Credited In Advance (E)	TOTAL RSA CREDIT (F)	Ending Balance Before Interest (G)	Balance for Interest Calc (H)	Customer Deposit Rate (Annual) (I)	Customer Deposit Rate (Monthly) (J)	Current Month Earned Interest (K)	Ending Balance (L)
Dec-11	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.60%	0.13%	\$0.00	\$0.00
Jan-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Feb-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Mar-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Apr-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
May-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Jun-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Jul-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Aug-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Sep-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Oct-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Nov-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Dec-12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	1.65%	0.14%	\$0.00	\$0.00
Jan-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Feb-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Mar-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Apr-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
May-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Jun-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Jul-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Aug-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Sep-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Oct-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Nov-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Dec-13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Jan-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Feb-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Mar-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Apr-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
May-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Jun-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Jul-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00
Aug-14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	\$0.00	\$0.00

\* If an RSA Collection is received during the billing month, it will be recorded on Attachment 1 of the next billing month's workpapers, which will revise the interest calculation.

**NYPA Hydropower Benefit Mechanism ("NYPA Benefit")**  
**Rule 46.2.6**

<b>NYPA R&amp;D CONTRACTS</b>		
	<b>January 2013</b>	<b>March 2013</b>
1 Forecast Net Market Value (OMVC) of NYPA R&D Contracts		\$ (318,747.98)
2 Actual Net Market Value (OMVC) of NYPA R&D Contracts	\$ (897,535.50)	
3 Prior NYPA R&D reconciliation calculated for January 2013 Billing	\$ (111,768.78)	
4 Intended Billing (Line 2 + Line 3)	\$ (1,009,304.28)	
5 NYPA Benefit (R&D Contracts) Billed Revenue	\$ (513,321.57)	
6 Reconciliation of Billed Revenue (Line 4 - Line 5)		\$ (495,982.71)
7 NYPA Benefit (R&D Contracts) for March 2013 Billing (Line 1 + Line 6)		\$ (814,730.69)
<b>Rate Calculation</b>		<b>Billing Month March 2013</b>
8 Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh)		1,033,832,075
9 NYPA Benefit (R&D Contracts) rate (Line 7/ Line 8)		\$ (0.000788)

<b>RECHARGE NY RESIDENTIAL CONSUMER DISCOUNT (RCD) PAYMENT</b>		
	<b>January 2013</b>	<b>March 2013</b>
10 RCD Payment for upcoming billing month		\$ (3,461,667.00)
11 Actual RCD Payment Booked	\$ (3,461,667.00)	
12 Prior RCD Payment reconciliation calculated for January 2013 Billing	\$ (3,704.36)	
13 Intended Billing (Line 11 + Line 12)	\$ (3,465,371.36)	
14 NYPA Benefit (RCD) Billed Revenue	\$ (3,562,193.76)	
15 Reconciliation of Billed Revenue (Line 13 - Line 14)		\$ 96,822.40
16 NYPA Benefit (RCD) for March 2013 Billing (Line 10 + Line 15)		\$ (3,364,844.60)
<b>Rate Calculation</b>		<b>Billing Month March 2013</b>
17 Forecast SC-1 and SC-1C Delivery Sales in Billing Month (kWh)		1,033,832,075
18 NYPA Benefit (RCD) rate (Line 16/ Line 17)		\$ (0.003255)