



October 24, 2014

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. 35

To P.S.C. No. 220 Electricity

Effective: October 29, 2014

The above statement is being filed in accordance with Rule No. 46.4-Supply Service Charges in PSC No. 220 Electricity and in accordance with the Order issued on October 23, 2014 in Case 14-E-0180 which included several revisions to Rule 46 to become effective on October 29, 2014. The approved revisions include 1) Allocating the costs or benefits of an enhanced supply portfolio hedging strategy by NYISO load zone, or combinations of zones; 2) Revising the mass market adjustment component of the Electricity Supply Reconciliation Mechanism to allow for the reconciliation of variances between forecast and actual market prices by NYISO load zone; and 3) Allowing more flexibility in the timing of the reconciliation of electric supply related revenues and expenses for Mass Market Customers. Attachments 1 and 2 of this filing display the derivation of these charges.

Per the Order issued on April 25, 2014 in Case 14-E-0026, the mass market deferral recovery rate shown on Attachment 2 represents the final month of recovery of the credits provided to mass market customers (SC-1 and SC-2ND) in February 2014 bills. Any over or under recovery that remains after this final month of the recovery period will be reconciled in a subsequent month on a NYISO load zone specific basis through an adjustment to the mass market adjustment.

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.35 is effective October 29, 2014 for batch billed customers, and November 1, 2014 for calendar month billed customers.

Please direct any questions regarding this filing to the undersigned.

Sincerely,

/s/ Carol Teixeira
Carol Teixeira,
Manager, NY Electric Pricing
(315) 428-6104

Attachment: SC35