nationalgrid

December 21, 2016

Honorable Kathleen H. Burgess, Secretary State of New York Public Service Commission Office of the Secretary Three Empire State Plaza Albany, NY 12223

RE: Case 16-M-0430 – In the Matter of Rate Design Reforms Supporting the Commission's Reforming the Energy Vision

Dear Secretary Burgess:

The enclosed leaves, issued by Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid"), are being transmitted for filing in compliance with the above order issued December 19, 2016 (the "Order") by the Public Service Commission ("Commission").

Third Revision Leaf No. 435 Fifth Revised Leaf No. 436 Third Revised Leaf No. 437 Original Leaf No. 437.1 Original Leaf No. 437.2 Third Revised Leaf No. 440 Sixth Revised Leaf No. 441

To PSC No. 220 Electricity

Effective: January 1, 2017

In compliance with the REV Track Two Order issued on May 19, 2016 in Case 14-M-0101, the Company was directed to file revisions to the Company's standby service rates to implement an offset tariff and reliability credit provision as described in the body of this letter. On August 1, 2016, the Company filed tariff revisions with an effective date of December 1, 2016 complying with this directive. This effective date of these revisions was subsequently postponed to January 1, 2017.

Ordering Clause 1 of the above Order, issued December 19, 2016, directed the utilities to make further revisions as discussed in the body of this Order. Specifically, the Company was directed to make the following revisions:

- 1) Effectuating the Multi-Party offset provision for SC 7 customers
- 2) Modifying the tariff for multi-party offset reliability credit calculation to take into account all means of demand reduction, regardless of cause, from customers that partake in a multi-party offset.
- 3) Revising the definition of summer period to June 1 through September 30
- 4) Leaf 440 has been revised to replace the phrase "output meter" with "interval meter"
- 5) Revising the tariff to indicate that the customer must request the Standby Reliability Credit, in writing, by October 14 of each year
- 6) Minor housekeeping/conforming revisions

Honorable Jaclyn A. Brilling, Secretary December 21, 2016

Attachment 1 included with this filing contains redlined leaves to show where the changes have occurred.

Also in accordance with Ordering Clause No. 2 of the Order, the requirements of Public Service Law Section 66(12)(b) and 16 NYCRR Section 720-8.1 as to newspaper publication in respect to the tariff amendments direct in Ordering Clause No. 1 have been waived.

If you have any questions concerning this filing, please call Carol Teixeira at (315) 428-6104.

Sincerely,

/s/ Carol Teixeira

Carol Teixeira, Manager NY Electric Pricing

PJR/CT