



December 17, 2007

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

RE: Case 05-M-0090 – In the Matter of the System Benefits Charge III – Order Continuing the System Benefits Charge (SBC) and the SBC-Funded Public Benefit Programs

Dear Secretary Brillling:

The attached System Benefits Charge (“SBC”) Statement issued by Niagara Mohawk Power Corporation (d/b/a National Grid) is being transmitted for filing in compliance with the Order in Case No. 05-M-0900 issued and effective December 21, 2005 (“the Order”).

Statement of System Benefits Charge No. 12

To P.S.C. No. 214 Electricity

Effective: January 1, 2008

Ordering Clause No. 3 of the above Order requires the Company to annually establish specific SBC collection rates to correspond to its collection allocation, as provided in Appendix A of this order, based on projections of the following year’s forecasted sales. Also, as directed by this Ordering Clause, any over or under collection amounts from the previous collection period will be reconciled and included in this annual collection rate. Accordingly this filing presents the SBC reconciliation for the time period of January 1, 2007 through December 31, 2007 and the development of a revised SBC collection rate effective from January 1, 2008 through December 31, 2008.

The Company proposes that the revised SBC collection rate of **\$0.001640/kWh** become effective on January 1, 2008 and remain in effect through December 31, 2008. It is projected the revised collection rate will recover **\$45,772,407** during the January 1, 2008 through December 31, 2008, which includes the 2007 (January, 2007-December 2007) reconciliation amount of **\$714,739 and the annual collection amount of \$45,057,668.**

The attachments supporting the derivation of this factor are included with the companion PSC No.207 filing filed with the Commission in this Case Number.

Please direct any questions regarding this filing to the undersigned.

Sincerely,

Patricia J. Rivers
Senior Rate Analyst
Electric Pricing Department
(315) 428-6833

PJR
Attachments
SBC12