

# nationalgrid

September 19, 2007

Honorable Jaclyn A. Brillling, Secretary  
State of New York  
Public Service Commission  
Office of the Secretary, 19<sup>th</sup> Floor  
Three Empire State Plaza  
Albany, NY 12223

RE: Case No. 03-E-0188  
Order Regarding Retail Renewable Portfolio Standard

Dear Secretary Brillling:

The attached Renewable Portfolio Surcharge ("RPS") Surcharge Statement No. 3 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. 3

To P.S.C. No. 214 Electricity

Effective: October 1, 2007

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. Each collection period was 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 that support the RPS calculation and the development of the proposed RPS collection rate are included with the companion PSC No. 207 Electricity filing. The Company proposes that the revised RPS collection rate of **\$0.000623/kWh** become effective on October 1, 2007 and remain in effect through September 30, 2008. It is projected the revised collection rate will recover **\$17,689,623** during the period twelve months ending September 30, 2008 which consists of the Company-specific annual collection allocation for 2008 of **\$18,158,625** and the 2007 reconciliation adjustment of **(\$469,002)**.

Please direct any action regarding this filing to the undersigned.

Sincerely,

Patricia J. Rivers  
Senior Rate Analyst  
Electric Pricing Department

PJR  
RPS2