



December 14, 2005

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

RE: Case No. 00-M-1556
Order Implementing Tax Law Changes

Dear Secretary Brilling:

Enclosed for filing with the New York Public Service Commission ("Commission") are an original and three copies of Niagara Mohawk Power Corporation's, d/b/a National Grid ("Company") Statement of Revenue Tax Surcharge No. 13.

Statement of Revenue Tax Surcharge - Statement No. 13

To P.S.C. No. 214 Electricity

Effective: January 1, 2006

In Order No. 00-M-1556 dated June 28, 2001, Ordering Clause Nos. 7 and 8 stated that each electric, gas, water and steam utility was to submit an annual reconciliation report three months after the close of each utility's calendar or fiscal year. This annual reconciliation was to continue until state income tax expenses were included in base rates.

On October 5, 2004, the Department of Public Service, Office of Accounting and Finance authorized the Company to pass back to Customers \$1,342,180 during the taxable year ending December 31, 2005. This amount constituted the final pass back to Customer's in accordance with this Order. The above Statement of Gross Revenue Tax Surcharge No. 37 removes this pass back credit to customers. Attachment No. 1, provided with the companion PSC No. 207 filing, shows the derivation of the new surcharge effective January 1, 2006.

Also as per Ordering Clause No. 2 of the above Order, the requirements of §66(12)(b) of the Public Service Law as to newspaper publication is waived.

Please advise the undersigned of any action taken with respect to this filing.

Sincerely,

Patricia Rivers
Senior Rate Analyst
Electric Pricing Department

PJR
ATTACHMENT