



October 27, 2009

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 08-E-0751 – Proceeding on Motion of the Commission to Identify the Sources of Electric System Losses and the Means of Reducing Them.

Dear Secretary Brillling:

Enclosed for filing with the Commission are tariff amendments of Niagara Mohawk Power Corporation d/b/a National Grid (the “Company”) in compliance with the Commission’s Order Adopting Reactive Power Tariffs with Modifications (“the Order”) in the above captioned proceeding issued September 22, 2009.

Identification of Tariff Amendments

First Revised Leaf No. 381  
First Revised Leaf No. 382

To P.S.C. No. 220 Electricity

Effective: November 1, 2009

Purpose of the Filing

On June 23, 2008 the Commission issued an Order in Case 07-M-0548 - Energy Efficiency Portfolio Standard (the “June 23 Order”) that established a separate proceeding, Case No. 08-E-0751, to identify measures to reduce electric system losses. The Commission directed the utilities at that time to submit reports within six months of the June 23 Order to propose ways to reduce line losses, including proposed reactive power tariff provisions and charges. This directive also required those utilities with existing reactive power provisions to provide supportive documentation to determine whether such provisions should be updated or extended to other service classifications.

An Order was issued September 22, 2009 in Case No. 08-E-0751 (the “September 22 Order”) adopting a two-pronged approach to reduce losses and improve energy efficiency and reliability consisting of: (1) tariff rates for large customers with low power factors; and (2) operational changes on transmission and distribution systems. The September 22 Order addressed only the first prong.

The purpose of this filing is to comply with Ordering Clause No. 3 of the September 22 Order which directed the Company to file tariff amendments stating that effective May 1, 2010, reactive demand rates will be applicable to customers with demands not less than the current applicability levels in any two of the previous twelve months. First Revised Leaf No. 381 has accordingly been revised and states “effective May 1, 2010, the Reactive Demand shall be determined when the customer’s demand has

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Case 08-E-0751

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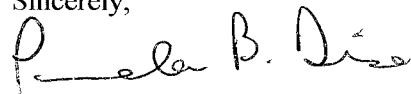
exceeded 500 kW in any two of the previous twelve months.” These revisions are to become effective on not less than one day’s notice on November 1, 2009.

Newspaper Publication

Per Ordering Clause No. 10, the newspaper publication requirements as required in Public Service Law §66(12)(b) are waived for this filing.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Pamela B. Dise". The signature is fluid and cursive, with the first name "Pamela" written in a larger, more prominent script than the last name "Dise".

Pamela B. Dise, Manager  
Electric Pricing

PJR